

RISK MANAGEMENT ANNUAL REPORT

SELF-INSURED TRUST FUND

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EXECUTIVE SUMMARY

Introduction

We are pleased to present the *Maricopa County Risk Management Annual Report Fiscal Year Ended June 30, 2000*.

This report contains summaries of the fiscal year's losses and costs for Maricopa County's workers' compensation, general liability, automobile liability, auto physical damage, property, medical malpractice, and unemployment exposures.

This report contains data and information regarding the frequency and severity of loss, as well as information of the most frequent cause of loss. We hope the report will assist departments in analyzing, developing, and implementing effective loss control and prevention programs to reduce or eliminate liability and losses.

On June 30, 2000, the Risk Management Department successfully completed its **19th year** under the self-insurance program.

The Risk Management Department Structure and Mission

The Risk Management Department manages Maricopa County's risk management program. Our mission statement is "Protect the human resources and assets of Maricopa County from loss or damage through effective and proactive risk management." Our community impact is to be recognized within the State of Arizona, Maricopa County, and numerous U.S. county governments for innovative, proactive and effective risk management. The following are primary risk management functions, strategic goals and objectives:

- Risk consulting
- Retention level analysis
- Insurance procurement
- Maricopa County, Arizona Self-Insured Trust Fund management and financing
- Contract and document review
- Contract indemnification and insurance requirement language review and writing
- Administration and monitoring of third party administrators
- Investigation and disposition of casualty and unemployment claims and lawsuits
- Safety and loss control programs
- U.S. Occupational Safety and Health Administration/Arizona Division of Occupational Health and Safety (OSHA/ADOSH) and U.S. Department of Transportation (DOT) training, reporting, and compliance
- Environmental remediation
- U.S. Environmental Protection Agency/Arizona Department of Environmental Quality (EPA/ADEQ) investigation, remediation, and reporting

The Risk Management Department’s mission is accomplished by 20 employees and department managers with assistance from the Maricopa County Board of Supervisors, Maricopa County Self-Insured Trust Fund Board of Trustees, Office of the County Attorney, contracted risk and insurance brokers, and third party administrators. The Director/Risk Manager reports to the Chief Financial Officer of Maricopa County.

Maricopa County, Arizona Self-Insured Trust Fund

Arizona Revised Statutes Section 11-981 (ARS § 11-981) authorizes Maricopa County to self-insure or procure insurance from any insurer authorized by the State of Arizona Department of Insurance, or both, for insurance as defined in Title 20 of the ARS including, but not limited to workers’ compensation, general liability, automobile liability, auto physical damage, property, medical malpractice, and unemployment.

ARS § 11-981 requires Maricopa County to designate a Trust Administrator (Risk Manager) and establish a Trust which is funded by allocation of funds from General Fund and Non-General Fund departments and Special Districts, as well as other funding techniques permitted by state statute and authorized by the Trust’s Board of Trustees.

The Maricopa County, Arizona Self-Insured Trust Fund’s financial activities, management issues, and business affairs are managed by the Risk Manager and Board of Trustees. The Trustees must be United States citizens and residents of Maricopa County, and are appointed by the Maricopa County Board of Supervisors (BOS) and County Administrative Officer. During FY99-00, the following individuals were members of the Board of Trustees:

| <u>Trustee District/Appointment</u> | <u>Trustee</u> |
|-------------------------------------|----------------------------|
| BOS District One | To Be Appointed |
| BOS District Two | Joe Taylor |
| BOS District Three | Rocky Armfield |
| BOS District Four | David C. Tierney, Chairman |
| BOS District Five | Art Hamilton |
| BOS Chairman | BOS Chairman |
| County Administrator | Tom Manos |
| Environmental | Terry Trendler |

Major FY99-00 Risk Management Accomplishments

- Through an aggressive and proactive subrogation program, successfully recovered \$481,954 from responsible third parties in the recovery of damages to Maricopa County property.
- Conducted 12 underground storage tank (USTs) investigations, including County sites where USTs were closed prior to current regulations. Closed longstanding leaking UST files with ADEQ and reduced the County's possible UST environmental liability from \$29 million in 1998 to \$6 million in 2000.
- Effective in reducing Maricopa County's overall possible environmental risk exposure from an estimated \$500 million in FY95-96 to approximately \$151 million in FY99-00.
- Implemented major components of an environmental management system including 35 Phase I/II Environmental Site Assessments identifying potential and/or actual environmental and health/safety issues at various County owned/leased facilities and implemented corrective actions where needed. Identified asbestos materials in 5 County facilities through the use of site-specific operation and management plans.
- Conducted regular Workers' Compensation file reviews with third party administrator, Case Management and Risk Management.
- Successfully renegotiated our Medical Malpractice insurance premium for FY00-01.
- Developed new "Notice of Claim" form for the public to submit claims to Maricopa County, which includes information of Arizona State Statute Guidelines to assist in understanding the requirements.
- Through a proactive approach in managing Maricopa County's risk, the Department continued to maintain the cost of risk at 1% of Maricopa County's expenditures.
- Organized and conducted the fifth annual Maricopa County Employee Safety Fair with 643 participating employees representing 23 county departments.
- Conducted the Maricopa County Equipment Roadeo and participated in the statewide competitive Arizona Equipment and Safety Partnering Roadeo in Flagstaff.

Major FY00-01 Risk Management Objectives

- Increase "in network" medical provider services for worker compensation injuries by 25% annualized.
- Maintain annual cost of risk at 1% or less of Maricopa County expenditures.

- Complete departmental strategic plan and performance measures and include in individual employee performance evaluations.
- Increase annualized subrogation recoveries by 10%.
- Maintain employee annualized turnover rate at less than 9%.
- Develop and distribute Risk Management departmental brochure.
- Prepare and submit loss runs to department directors for quarterly review.
- Complete litigation management plan within 45 days after receipt of the complaint.
- Maintain a one to one open/closure claim ratio.
- Develop a litigation strategy with County Attorney, including attorney selection, periodic review, timely communication and documentation flow and case evaluation.
- Submit all qualified new claims to the excess carrier within 5 working days.
- Provide at least once per quarter training to managers and supervisors. These classes would include Supervisors Training in Accident Reduction Techniques (START), Safety Motivation, and the Supervisors Development Training Program.
- Provide monthly reports to the County Administrative Officer and department directors detailing injury and vehicle accidents.
- In collaboration with the Public Works Human Resources department, develop a one-day program that integrates safety with other necessary supervisory skills.
- Provide internal environmental consulting services including Phase I, limited Phase II assessments, and technical review for environmental issues to 10 departments.
- Conduct environmental assessments for 20 county facilities to identify and remedy potential liabilities and regulation compliance.
- Conduct asbestos and lead-based paint surveys of 20 County facilities and develop required Operating and Maintenance Plans and/or abatement specifications.

Key FY99-00 Trends and Indicators

Self-Insured Trust Fund Combined Balance Sheet Comparison FY97-98, FY98-99, and FY99-00

| | <u>FY97-98</u> | <u>FY98-99</u> | <u>FY99-00</u> |
|----------------------------|----------------|----------------|----------------|
| Assets | \$24,644,757 | \$17,890,250 | \$20,784,045 |
| Liabilities | \$31,189,315 | \$41,211,769 | \$43,886,992 |
| Equity (Deficit) | (\$6,544,558) | (\$23,321,519) | (\$23,102,947) |
| Total Liabilities & Equity | \$24,644,757 | \$17,890,250 | \$20,784,045 |

During the FY97-98 through FY99-00 period, the Trust Fund's assets decreased \$3,860,712, or 15.6%, from \$24,644,757 to \$20,784,045. During the same period, the Trust's liabilities increased \$12,697,677, or 40.7%, from \$31,189,315 to \$43,886,992. FY99-00's (\$23,102,947) fund deficit is a result of a spend down of the self-insured trust fund over a four year period, where user departments were only charged for administrative costs while claims and insurance were still being paid by Risk Management on behalf of these user departments. The trust fund began billing user departments for the full costs of claims and insurance in FY99-00.

Trends in Purchased Insurance:

As Risk Management continues to analyze the current insurance market trends, we find an expectation of increased insurance premiums in all lines of coverage resulting in a trend reversal from prior years. This projected "hardening" of the market may represent a potential 40% increase in annual premium cost across the board for the next fiscal year. Although a substantial increase, our insurance premiums for the most part will still be lower than they were five years ago. The Risk Management Department will continue working closely with our insurance broker to aggressively pursue reasonable insurance coverages to protect Maricopa County.

General liability, including auto liability coverage, was purchased in FY94-95 with \$1 million primary above the County's \$1 million self-insured retention and \$9 million excess the primary of \$1 million following ten years of no general/auto liability coverage. In FY96-97, Maricopa County purchased an additional \$10 million excess above the initial \$9 million excess and the \$1 million primary and \$1 million self-insured retention. During FY98-99, Maricopa County purchased an additional \$25 million in excess of the \$25 million and excess the \$1 million SIR. This coverage was maintained in FY99-00.

Property damage coverage on a blanket replacement cost was insured in FY96-97 with a \$25,000 per occurrence deductible. In FY97-98, the same property coverage was purchased, but with a \$100,000 per occurrence deductible and this coverage was maintained in FY99-00.

Excess workers' compensation insurance for FY96-97 covered Maricopa County employees, officials, and supervised volunteers on a statutory basis in excess of \$300,000 retention. In FY97-98, the same excess workers' compensation coverage was purchased with a \$250,000 retention to meet the Arizona Industrial Commission's Self-Insured requirements. This coverage was maintained in FY99-00.

Medical malpractice insurance for FY96-97 was \$10 million excess \$1.025 million self-insured retention. In FY97-98, Maricopa County purchased an additional \$5 million excess the \$10 million for a total of \$15 million excess our \$1.025 million self-insured retention. In FY98-99, an additional \$10 million was purchased for a total of \$25 million excess our \$1.025 million self-insured retention. This coverage was maintained in FY99-00.

Trends in exposures and losses:

Maricopa County is the nation's fourth most populous county with a population of approximately 2.95 million as of May 30, 2000. Maricopa County is the fastest growing county in the country. Expected growth is anticipated at over 3 million by the year 2000 census. Naturally, such growth, while economically positive, generally negatively influences casualty claim frequency and eventually severity. Fortunately, Maricopa County continues to experience a significant reduction in reported claims for FY97-98 to FY99-00. The reduction in the number of claims is somewhat difficult to explain, but hopefully Maricopa County's emphasis on a strong proactive loss prevention, safety and risk management program may be a material factor.

Maricopa County's expenditures for FY97-98 were \$1.47 billion. The cost of risk for FY97-98 was \$14.4 million or 0.98% of expenditures. Maricopa County's expenditures for FY98-99 were \$1.62 billion. The cost of risk for FY98-99 was \$16.8 million or 1.04% of expenditures. Maricopa County's expenditures for FY99-00 were \$1.68 billion. The cost of risk for FY99-00 was \$16.7 million or 1.00% of expenditures.

Maricopa County's payroll for FY97-98, FY98-99, and FY99-00 was \$393 million, \$431 million, and \$489 million, respectively. The number of claims for Workers' Compensation for FY97-98, FY98-99, and FY99-00 was 796, 800, and 735 respectively. The data reflects that the payroll is increasing each year and that the number of claims has decreased over the previous year. The number of employees for FY97-98, FY98-99, and FY99-00 was 13,299, 14,534, and 14,321 respectively.

Acknowledgment

The Risk Management Department would like to thank the Maricopa County Board of Supervisors; Elected Officials; County Administrative Officer; Chief Financial Officer; Self-Insured Trust Fund Board of Trustees; County Attorney's Office; County departmental management, employees, and volunteers for their demonstrated interest in reducing casualty claims and lawsuits.

Respectfully submitted,

Bill Warren, WSO-CSM
Assistant Risk Manager

Joe Campbell, Claims Manager
Emilee Eckroad, Claims Coordinator
Chris Kelly, Safety Manager
Milli Lee, Loss Control Consultant
Sara Latin, Administrative Coordinator
Hugh Larkin, Environmental Compliance Analyst
Rita Neill, Environmental Compliance Analyst
Samantha Wright, Budget and Finance Manager

Note: 1) The financial statements presented in Section Five, Financial Section, have been audited by the State of Arizona, Office of the Auditor General, and are included in the *Maricopa County Comprehensive Annual Financial Report* (CAFR) for FY99-00. A separate Maricopa County Self-Insured Trust Fund audit report has been issued.

Note: 2) For presentation purposes only, the dollar amounts and associated percentages in all of the charts and tables presented herein, have been rounded to the nearest whole dollar or percent.

COST OF RISK

One method to measure the County's Risk Management effectiveness is to compare the cost of risk over time. Effectiveness is determined by comparing the total annual cost of the Risk Management program, including paid claims, insurance premiums and operational and administrative expenses, against the total County's annual expenditures.

During the three year period, Risk Management's percentage of the County's total annual expenditures fluctuated from 0.98% to 1.04% to 1.00%. These fluctuations reflect a very favorable result.

| | FY97-98 | FY98-99 | FY99-00 |
|--|------------------------|------------------------|------------------------|
| Claims and Premiums | | | |
| Auto Liability | \$349,580 | \$630,272 | \$410,456 |
| General Liability | \$1,273,348 | \$2,150,774 | \$2,691,063 |
| Workers' Compensation | \$2,171,890 | \$2,317,915 | \$2,900,655 |
| Medical Malpractice | \$3,783,750 | \$3,252,491 | \$2,249,380 |
| Property/Auto Physical Damage | \$587,735 | \$974,015 | \$269,101 |
| Environmental Contingency | \$0 | \$300,000 | \$0 |
| Unemployment | \$530,414 | \$346,225 | \$339,966 |
| Premiums | \$1,426,224 | \$1,429,433 | \$1,519,643 |
| Subtotal | \$10,122,941 | \$11,401,125 | \$10,380,264 |
| Other Costs | | | |
| Legal Expenses | \$2,850,542 | \$3,547,286 | \$4,395,331 |
| Broker Fees | \$42,000 | \$39,000 | \$39,000 |
| Consulting and Mngt Fees | \$45,000 | \$82,348 | \$314,856 |
| Claims Admin Fees | \$210,221 | \$184,528 | \$201,828 |
| Administrative | \$1,194,752 | \$1,635,074 | \$1,435,592 |
| Subtotal | \$4,342,515 | \$5,488,236 | \$6,386,607 |
| Total Risk Management Costs | \$14,465,456 | \$16,889,361 | \$16,766,871 |
| Total County Expenditures | \$1,478,046,922 | \$1,628,844,663 | \$1,683,472,019 |
| TOTAL COST AS A PERCENTAGE OF COUNTY EXPENDITURES | 0.98% | 1.04% | 1.00% |

- Notes: 1. Paid claims represents the amount paid in the fiscal year regardless of occurrence date and does not include Reported but not Paid or IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported in the Local Governmental Financial System.

REPORT OF DEPARTMENTS

Workers' Compensation

Risk Management's analysis of the Workers' Compensation claims data for dollars paid and number of claims reported for the last three fiscal years is presented in the following summary.

The following information for Workers' Compensation is shown on pages VI-6 through VI-8 of the statistical section. For the three year period FY98-00, Maricopa County paid \$4,303,344 on 2,331 workers' compensation claims for an average claim cost of \$1,846. Listed in order, the five departments with the highest number of claims were the Sheriff with 890, Maricopa Health System with 533, MCDOT with 79, Public Health with 78 and Juvenile Court Center with 71. Listed in order, the five departments with the highest dollars paid include the Sheriff at \$1,715,600, Maricopa Health System at \$1,058,845, Public Health at \$148,149, ALTCS at \$134,396, and Juvenile Court Center at \$130,605.

The Sheriff's department dollars paid of \$1,715,600 on 890 claims during the three year period FY98-00, shows an average claim cost of \$1,928. The Sheriff's department also shows a large decrease in claims and dollars paid during FY99-00 compared to FY98-99. During the latter, the Sheriff's department had 332 claims with \$767,233 in dollars paid. In FY99-00, the decrease indicates 254 claims with \$379,174 in dollars paid.

The Maricopa Health System dollars paid of \$1,058,845 on 533 claims during the three year period FY98-00, shows an average claim cost of \$1,987. Although the Health System had an increase in the number of claims during FY99-00 (up 19 claims), there was a decrease in dollars paid from FY99-00 of \$228,058 compared to FY98-99 of \$367,381.

Recommendation to eliminate or reduce Workers' Compensation claims:

Each department should continue to educate their employees about potential hazards in the workplace as well as the financial impact workers' compensation claims have on Maricopa County.

For further recommendations, see Safety section pages IV-1 through IV-4.

General Liability

Risk Management's analysis of the General Liability claims data for dollars paid and the number of claims reported for the last three fiscal years is presented in the following summary.

The following information for General Liability is shown on pages VI-9 through VI-11 of the statistical section. For the three year period FY98-00, Maricopa County paid \$747,341 on 948 general liability claims for an average claim cost of \$788. The three departments with the highest number of claims were the Sheriff with 363, MCDOT with 269, and Maricopa Health System with 44. Their share consisted of \$524,176 on 676 of the total 948 claims. The three departments with the highest dollars paid consisted of the Sheriff at \$444,652, Solid Waste at \$46,961, and County Attorney at \$45,658.

The Sheriff's department dollars paid of \$444,652 on 363 claims shows an average claim cost of \$1,225. Solid Waste dollars paid of \$46,961 on 3 claims shows an average claim cost of \$15,654. The County Attorney dollars paid of \$45,658 on 38 claims shows an average claim cost of \$1,202. MCDOT dollars paid of \$43,415 on 269 claims shows an average claim cost of \$161. Maricopa Health System dollars paid of \$36,109 on 44 claims shows an average claim cost of \$821.

Recommendations to eliminate or reduce General Liability claims:

All departments must identify and analyze the causes and potential causes of general liability claims specific to their operations in order to reduce claims. Front line supervision must take a greater role in loss prevention through scheduled routine inspections and elimination of hazards, as well as employee training in loss prevention.

On July 1, 2000, Risk Management implemented the program to submit a quarterly Loss Run to each department director for review and discussion. Each director and/or manager should review and determine the area/location of concern and description of the loss of all the claim data to prevent future losses. These periodic Loss Runs will assist in implementing in-house loss prevention programs to impact and reduce claim activity. Risk Management has volunteered to meet quarterly with the departments to discuss the claims data. In addition, the Safety department will assist departments with the development of an inspection and maintenance program that can be successfully utilized to reduce or eliminate claims.

Risk Management also presented the "Cost of Risk" at the quarterly manager's meeting and will continue to reemphasize the importance of frontline involvement of the department director, manager, and supervisor to continue educating all County employees on the importance of loss control and loss prevention.

Risk Management has also implemented the "Pre-Alert" system with the larger departments such as the Sheriff, MCDOT, Correctional Health, and Maricopa Health System. However, all departments should be mindful of losses with a program in place for the immediate notification to Risk Management when a loss occurs.

Auto Physical Damage

Risk Management's analysis of the Auto Physical Damage claims data for dollars paid and number of claims reported for the last three fiscal years is presented in the following summary.

The following information for Auto Physical Damage is shown on pages VI-12 through VI-14 of the statistical section. For the three year period FY98-00, Maricopa County paid \$1,053,399 on 1,493 auto physical damage claims for an average claim cost of \$706. The three highest departments included the Sheriff, MCDOT, and Flood Control paying \$778,713 in total dollars on 1,020 claims for an average claim cost of \$763. When the totals are reviewed, there is a significant decrease from 760 claims in FY97-98 compared to 279 in FY99-00.

The Sheriff's department dollars paid of \$648,412 on 708 claims shows an average claim cost of \$916. MCDOT dollars paid of \$87,843 on 227 claims shows an average claim cost of \$387. Flood Control dollars paid of \$42,458 on 85 claims shows an average claim cost of \$500.

Recommendations to eliminate or reduce Auto Physical Damage claims:

Auto Physical Damage claims are direct physical damage losses to County vehicles involving collisions or comprehensive loss due to collision with other vehicles, impacts with stationary objects, vandalism, theft, fire, and windshield and glass breakage claims.

With the implementation of the \$1,000 deductible per claim for all auto physical damage claims effective July 1, 1999, all departments should be heavily involved in driver training courses. Monthly staff training meetings for County employees should be initiated, record keeping of repeat offenders maintained, studies conducted to identify causes and programs implemented to reduce frequency and severity of auto physical damages claims.

The recommendations in the Automobile Liability section are also applicable in eliminating or reducing the auto physical damage claims.

Automobile Liability

Risk Management's analysis of the Automobile Liability claims data for dollars paid and number of claims reported for the last three fiscal years is presented in the following summary.

The following information for Auto Liability is shown on pages VI-15 through VI-17 of the statistical section. For the three year period FY98-00, Maricopa County paid \$888,518 on 416 claims for an average claim cost of \$2,136. The three departments with the highest number of claims included the Sheriff with 183, MCDOT with 65, and Flood

Control with 26. The three departments with the highest total dollars paid included the Sheriff, Flood Control and Rabies Animal Control. There has been a dramatic decrease in the 252 number of claims in FY97-98, 87 claims in FY98-99, and 77 claims in FY99-00.

The Sheriff's department dollars paid of \$617,457 on 183 claims shows an average claim cost of \$3,374. The Sheriff's department has decreased its number of claims and dollars paid over the past three fiscal years. The Sheriff's department dollars paid of \$518,653 in FY97-98, decreased to \$58,047 in FY98-99, and further decreased to \$40,756 in FY99-00. Flood Control dollars paid of \$82,370 on 26 claims shows an average claim cost of \$3,168. Rabies Animal Control dollars paid of \$48,609 on 19 claims shows an average claim cost of \$2,558. MCDOT dollars paid of \$31,822 on 65 claims shows an average claim cost of \$490. All of these departments are experiencing a decrease in the dollars paid and number of claims.

Recommendations to eliminate or reduce Automobile Liability claims:

It appears that County departments are placing additional emphasis on driver safety awareness and defensive driving techniques. All department directors should continue taking advantage of the scheduled defensive driving courses sponsored by the Safety department. Additionally, discussions of motor vehicle accident prevention should be stressed during scheduled staff meetings and accident review committees. The continued key to successfully reducing potential vehicle accidents is in driver awareness through training.

The Sheriff's department continuation of driver training and adherence to department policy in pursuit tactics is encouraged. The continued implementation of an accident avoidance course is recommended to reduce routine vehicle accidents. It is recommended that Flood Control, MCDOT and Rabies Animal Control continue implementing the standard four-hour defensive driving course for all employees that operate motor vehicles while conducting County business.

Property

Risk Management's analysis of the Property claims data for dollars paid and number of claims reported for the last three fiscal years is presented in the following summary.

The following information for Property is shown on pages VI-18 through VI-20 of the statistical section. For the three year period FY98-00, Maricopa County paid \$835,587 on 237 property claims for an average claim cost of \$3,526. The three highest departments in number of claims included the Sheriff with 68, MCDOT with 35, and Parks and Recreation with 21. The three highest departments in total dollars paid were Facilities Management, Housing and Adult Probation. Property is another area where there continues to be a decline in the number of claims and total dollars paid from FY97-98 through FY99-00.

Facilities Management dollars paid of \$605,316 on 16 claims shows an average claim cost of \$37,832. This was due to one major fire loss in FY97-98. Housing dollars paid of \$41,902 on 18 claims shows an average claim cost of \$2,328. Adult Probation dollars paid of \$30,961 on 6 claims shows an average claim cost of \$5,160.

Recommendations to eliminate or reduce Property claims:

Theft, fire, vandalism, and storm damage represent the majority of property claims. Theft and vandalism losses are controllable and can be avoided or mitigated by adhering to present procedures or implementing new appropriate security measures. Much of the property losses result from theft of equipment from vehicles. This type of theft is controllable by locking vehicles, placing all unattached equipment in the vehicle trunk or removing to residence during off-duty periods, and employing basic general security measures.

Medical Malpractice

Risk Management's analysis of the Medical Malpractice claims data for dollars paid and number of claims reported for the last three fiscal years is presented in the following summary.

The following information for Medical Malpractice is shown on pages VI-21 through VI-22 of the statistical section. For the three year period FY98-00, Maricopa County paid \$507,044 on 180 medical malpractice claims for an average claim cost of \$2,817.

The three highest departments included the Maricopa Health System, Correctional Health, and ALTCS. Maricopa Health System dollars paid of \$432,762 on 145 claims shows an average claim cost of \$2,985. Correctional Health was second with dollars paid of \$70,923 on 27 claims for an average claim cost of \$2,627. ALTCS was third with dollars paid of \$3,080 on 4 claims for an average claim cost of \$770. The remaining department was Ambulatory Care with dollars paid of \$279 on 4 claims for an average claim cost of \$70.

Recommendations to eliminate or reduce Medical Malpractice claims:

We continue to insure the facilities and employee staff, including resident physicians and technicians. The attending physicians at Maricopa Health System are not covered by the trust fund.

We should continue to review the quality assurance procedures and policies to include proper documentation of patients' care and their treatment schedules. Prompt reporting of potential claims is required to assure early investigation and determination of negligence and standard of care issues.

Unemployment

Risk Management's analysis of the Unemployment claims data for dollars paid for the last three fiscal years is presented in the following summary.

The following information for Unemployment is shown on pages VI-23 through VI-24 of the statistical section. For the three year period FY98-00, Maricopa County paid \$1,216,605 for unemployment claims. The three departments with the highest dollars paid were the Maricopa Health System at \$314,838, Human Services at \$202,988, and the Sheriff's department at \$107,062. Their share consisted of \$624,888, resulting in 51% of the total dollars paid by the County.

The fourth highest department, Ambulatory Care had dollars paid at \$56,776. The fifth highest was Adult Probation at \$56,686. All other departments combined had a total dollars paid of \$478,255.

Recommendations to eliminate or reduce Unemployment claims:

The County has a third party administrator that handles our unemployment claims. The firm continues to be proactive and risk management is involved on a daily basis. There are quarterly meetings to discuss results and to perfect better handling of these claims. All departments should clearly document all employee performance and attendance to maintain proper documentation for turnover.

ENVIRONMENTAL RISK MANAGEMENT

Background

Maricopa County is a large, diverse, and operationally complex public entity that includes many departments which use or generate small to large quantities of hazardous materials/wastes. Environmental Risk Management (ERM) was established in 1992 by County leadership in response to the ever-evolving environmental regulatory arena that governs the County as an owner/operator of regulated property and activities. In FY98-99, ERM was fully integrated into the Trust Fund. *ERM's mission is to conduct remedial investigations and actions for which Maricopa County Government has environmental liability as determined by law, regulation, statute, and/or court order, and to provide leadership for pollution prevention.*

The technical and legal activities of ERM have been fully privatized, utilizing the capabilities of two FTEs. This management approach permits the retention of technical contractors and legal specialists on a cost-effective and as-needed basis. ERM is responsible for addressing the environmental liabilities found within County departments, facilities, properties, and operations. It is designed to identify, prevent/remediate, and relieve potential costly environmental exposures. This process mitigates environmental liabilities, saving County government (and its taxpayers) millions of dollars in remedial action costs and regulatory penalties. *ERM strives to ensure organizational compliance with the numerous State and Federal environmental laws and regulations while demonstrating managerial effectiveness and quantifiable economic benefit.*

Environmental risks, like many others, are capable of being managed through risk control and prevention measures. These measures include separation of hazardous materials and operations, effective pollution prevention and loss control techniques, attention to the design of facilities and equipment, redundant controls and safety mechanisms, substitution of process materials and/or streams, double and triple containment of tanks and flow tubes, and emergency response plans for situations where releases may occur. Effective training of employees to work safely with hazardous materials and to appropriately respond to emergencies is also a part of a comprehensive environmental loss control program.

Environmental Risks Associated With County Operations

There are many environmental risks associated with the operations and activities of County facilities. These include landscaping (pesticides, fertilizers) and lawn maintenance (fuel) activities; laundry operations (cleaning materials); heavy equipment operations (fuel, solvents); commercial boilers (regulated air emissions); and infectious materials and bloodborne pathogens (medical services). All these may pose problems for employees and the general public. Handling, storage, and disposal of these substances must be managed safely and in accordance with Federal, State, and local regulations.

Construction activities which are a part of many departments' regular routines may involve environmental risks that are different from those of other operations. Common construction-related environmental events include impacted storm water runoff into streams or city storm sewers, toxic fumes from paving or sealing of concrete, and striking unidentified buried utility lines. Additionally, many County-owned facilities were built prior to bans on use of asbestos-containing building materials (ACMs) and lead-based paint, two former commonly used materials that will ultimately require abatement following regulated procedures. County-owned underground storage tanks (USTs) require spill, overfill, and corrosion protection; leak detection equipment; and investigation and/or remediation for release of product to the environment.

Environmental Risk Reduction And Management

Since it was established, ERM has been effective in reducing Maricopa County's overall possible environmental risk exposure. *Estimated possible environmental liability costs of known sites have been reduced from previous estimates of over \$500 million for FY95-96 to about \$151 million for FY99-00.* All estimated liability costs are based on maximum fines and/or penalties imposed by regulatory agencies or loss of citizen lawsuits to enforce compliance with environmental regulations.

Primary efforts to date include:

- closure and ownership transfer of the former White Mountain Fuel Tank Farm (1997)
- closure and ownership transfer of all of the former Spreckles Sugar Factory property (1998/99)
- completion of remedial action (1999) at the Materials Warehouse with final regulatory settlement currently awaiting appropriate agency signatures
- regulatory agency closure of several UST/leaking UST sites
- implementation of various components of an environmental management system (1999/2000), including:
 - ♦ Phase I/II Environmental Site Assessments to identify potential and/or actual environmental and health/safety issues at various County owned/leased facilities and to implement corrective actions where needed
 - ♦ identification and abatement of asbestos and/or lead-based paint in various County facilities through the use of site-specific operation and management plans
 - ♦ participation in roundtable discussions that are resulting in recommendations for greater County-wide environmental collaboration to improve overall environmental management practices

Other activities include environmental and technical consulting services to other County departments; the development and awarding of a comprehensive environmental consulting/services contract which allows ERM personnel to track various County environmental investigations; remedial response to illegal dumping and leaking USTs; continual refinement of the environmental report database and project cost spreadsheets; inclusion of environmental expenses into risk management information system to help create a more accurate representation of the County's total liability; and recovery of monies from former insurance carriers, state assurance trusts, and liability settlement trusts.

Graphic summaries of ERM expenses for FY97-98 through FY99-00 are shown on page III-5. Illustrated are expenses by site and areas of concern. These expenses are included in the overall Risk Management totals, but differ due to dates of information entry into the risk management information system and because most of the older expenses were not entered into the information system.

Recommendations

Based on past and present County activities, ERM recommends the following work be performed to further minimize the County's exposure to environmental risk.

Creation and Development of a formal Comprehensive Environmental Management System (EMS): The consequences of not managing environmental issues have resulted in large cash expenditures for remediation and toxic tort liability. Many private and public organizations have developed and implemented an EMS to assure compliance with environmentally sound work policies and practices.

Senior management's commitment and front line supervisors' accountability are the keys in maintaining day-to-day environmental management requirements in every organization. This is particularly true in light of the adaptation by County management of its Administrative Policies and Procedures that address environmental safety and liability. Creation of an EMS requires the following:

- **Top Management Support:** Establish a proactive environmental management system, conduct environmental assessments and audits to ensure compliance with the numerous mandated policies, procedures, rules, laws, and regulations.
- **Accountability:** All department directors, supervisors, and employees should have included in their respective performance plans, measurable environmental compliance goals and objectives. The assignment of responsibility and accountability for environmental management is of paramount importance. Environmental management goals need to be established and activities need to be measured.
- **Awareness:** Increase employee awareness regarding safety by using posters, handouts, warning signs, tailgate meetings, and compliance training.

- **Recognition:** Conduct environmental inspections, establish compliance committees, and initiate management incentive programs to recognize employees' environmental management efforts.

Developing a Comprehensive County EMS will put forth the goals, schedule, and implementation plan to assess and evaluate the current environmental status of Maricopa County in order to achieve and maintain environmental compliance. This will include prioritization of sites and departments for further review, such as Phase I/II ESAs and compliance audits. The implementation of an EMS would allow the information collected in the program to be continually updated, and eliminate the need for future large-scale County-wide audits requiring large amounts of manpower and funds as well as redundancy of efforts by several departments.

As a preliminary step, ERM has developed, in-house, a database management system to locate and document much of the work which was completed in the past five years. This database will be used to track, and avoid duplication of future work. However, this is dependent on the cooperation of other County departments. Additionally, the environmental consulting/services contract established in 1998 requires copies of all final environmental reports generated, regardless the initiating department, be forwarded to ERM to be included in the database.

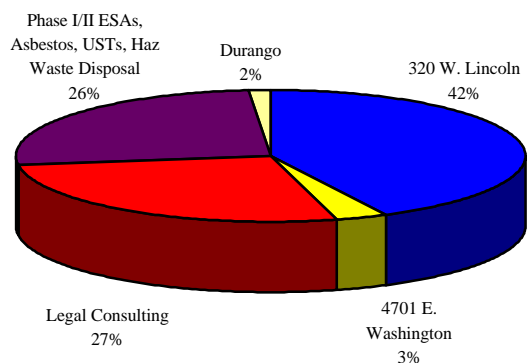
By utilizing an EMS, the County can reduce some of its potential costs for future environmental liability. Some of the cost savings to be realized are:

- reduced insurance premiums
- reduced exposure to toxic tort liability
- use of less hazardous materials
- positive public perception is estimated to be greater than the total costs to implement such a program

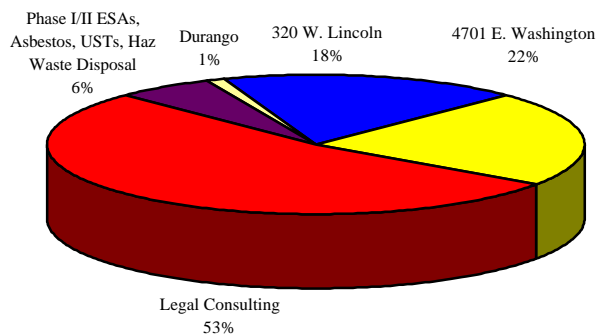
ERM recommends the continued progress and proactive approach, with appropriate funding and support from County leadership, towards the refinement and implementation of a County EMS.

ENVIRONMENTAL INVESTIGATION/REMEDIAL ACTION EXPENSES BY FISCAL YEAR

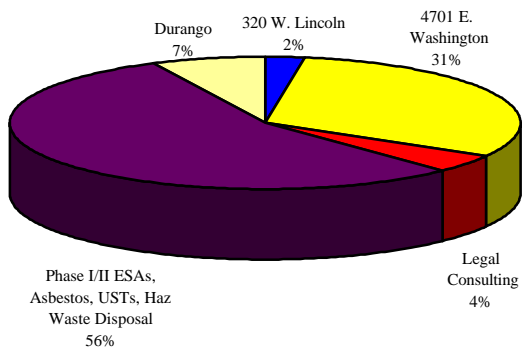
FY97-98



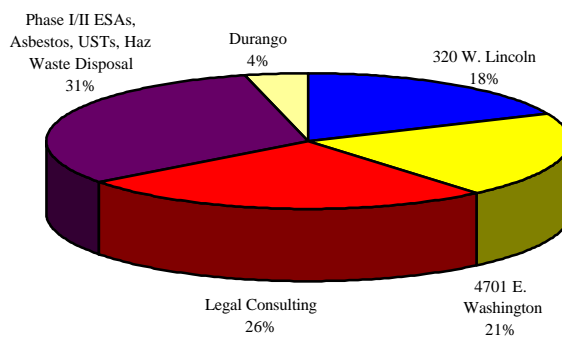
FY98-99



FY99-00



TOTAL FY98-00



| | 320 W. Lincoln | 4701 E. Washington | Legal Consulting | Phase I/II ESAs, Asbestos, USTs, Haz Waste Disposal | Durango | Total |
|---------------|----------------|--------------------|------------------|---|-----------|------------|
| FY97-98 | \$ 83,747 | \$ 6,907 | \$ 53,244 | \$ 50,733 | \$ 3,008 | \$ 197,638 |
| FY98-99 | \$ 40,598 | \$ 49,943 | \$ 118,271 | \$ 13,082 | \$ 2,699 | \$ 224,593 |
| FY99-00 | \$ 7,361 | \$ 91,655 | \$ 12,864 | \$ 162,934 | \$ 21,292 | \$ 296,106 |
| TOTAL FY98-00 | \$ 131,707 | \$ 148,505 | \$ 184,379 | \$ 226,749 | \$ 26,999 | \$ 718,338 |

Notes: These costs have been previously summarized as expense items, not by site for the fiscal years presented.

OCCUPATIONAL SAFETY AND LOSS CONTROL MANAGEMENT

The Risk Management Safety Office continued to focus countywide on the elimination of workplace accidents and injuries. Our theme for these efforts remains as “Safety – The way we work.”

The Safety Office continues to consult with departmental management regarding specific safety issues pertaining to injury and accident losses and OSHA compliance requirements. Several steps were taken to continue to enhance the process of improving departmental safety performance and accident reduction efforts. High-risk departments were given top priority for loss prevention strategies. An 8% reduction in the number of Countywide workers’ compensation claims was accomplished as a result of enhanced safety and loss prevention awareness within the organization. As shown on page VI-6 of the statistical section, FY98-99 workers’ compensation dollars paid were \$1,909,748 and was reduced to \$923,689 in FY99-00, a 52% reduction.

While continuing the aggressive safety and loss control efforts in the Public Works departments, focus on the Sheriff’s department has continued to be a high priority. Working closely with the Sheriff’s department Risk Manager, a safety plan has been implemented that includes training, workplace inspections and accident and injury review. Accident causes have been identified and goals for reduction have been established. As shown on page VI-6 of the statistical section, during FY99-00, there was a significant 51% reduction in workers’ compensation dollars paid. The Sheriff’s Office FY98-99 workers’ compensation dollars paid were \$767,233 and was reduced to \$379,174 in FY99-00.

The Safety Office has worked tirelessly to improve safety awareness within all County departments. To meet this goal, several improvements in communication and loss reduction programs were implemented. The following proactive safety improvements were accomplished in FY99-00:

- The 2000 Safety Fair, a five-day program of employee training events, included all departments of Maricopa County. Some 647 County employees participated during the five-day event. A shuttle service was again provided to the downtown complex to assist departments in sending personnel to training classes offered. The event also included a Safety Bowl team competition.
- The annual forklift, truck and heavy equipment rodeo events were changed from January to June of the year to coincide more closely with the State-sponsored competition. Winners of the County rodeo events then competed in the state-wide competition. Maricopa County took first and second place in the State for the forklift event. This competition also included contestants from private industry as well as governmental agencies from across the State. As part of our goal to be seen as a regional leader as well as to foster good working relationships, we invited several governmental agencies and local Indian communities to participate in our competition.

- Created a new forum for employees to demonstrate their safety knowledge and team work skills. The Safety Challenge consisted of a series of five different tasks designed to require group interaction and trust as well as basic safety knowledge. This competition was created at the request of several departments that were uncomfortable competing in the Safety Bowl due to the nature of some of the question categories.
- Continue to present “Supervisor Responsibilities for Safety” and “Violence in the Workplace” training modules for the Management Institute.
- Continue to implement the START (Supervisor Training in Accident Reduction Techniques) Program for all County departments.
- Continue the “Safety Reminders” electronic safety bulletin to inform employees on a variety of safety awareness issues. The safety bulletin is forwarded to all personnel via e-mail, and successfully improves safety awareness communication.
- Continue to publish a quarterly safety newsletter. This product specifically identifies areas of accident prevention, procedures, and safety awareness on the job.
- Continue to provide updated information on the “Safety Zone” web page for the Maricopa County Intranet site. Employees can access the site for up-to-date safety and loss prevention techniques, resources, and video training library.

As we pursued our mission statement to be recognized as the state’s top safety management program, we provided technical assistance to Pinal County in their Fleet Safety and Heavy Equipment training and testing programs. We are actively involved in the Unified Command Group, (a local emergency association providing information to all local fire departments), the Local Emergency Planning Committee, the Arizona Governmental Safety Association, the local chapter of the American Society of Safety Engineers, and the Municipal Superintendents Association. The Safety Manager was an invited speaker at the North American Association of Transportation Safety and Health Officers meeting held in Phoenix this past year. The topic was “Establishing effective partnerships necessary for the creation of a work place safety culture”. The Heavy Equipment Instructor was an invited speaker at the National Safety Council’s Southwest Safety Congress and spoke on establishing an effective On the Job Training (OJT) program.

The Safety staff continues to provide assistance and direction in the areas of general occupational safety, fleet safety, commercial drivers license testing and training, heavy equipment operator training, OSHA compliance, hazard communications – employee right-to-know, and hazardous materials management programs for Maricopa County. The overall team effort has increased the county’s awareness of safety and loss prevention and this has resulted in a significant reduction in workers’ compensation average cost per claim, now down to \$1,257 as shown on page VI-5 of the statistical section.

Workers' Compensation Program

The following information for worker's compensation is shown on pages VI-5 through VI-8 of the statistical section. The charts show workers' compensation dollars paid, the number of claims, and the average cost per claim for the past three fiscal years. The average cost per claim for workers' compensation decreased by 47% in FY99-00 from the previous year. The average cost per claim was \$1,257 in FY99-00 and \$2,387 in FY98-99. The total dollars paid and the average cost per claim both indicate continuing downward trends for workers' compensation. These trends reflect the change in the culture at Maricopa County as the Risk Management Safety Office continues to expand its program to a Countywide effort. We are educating our employees about potential hazards in the workplace as well as the financial impact workers' compensation claims have on Maricopa County.

Through FY97-98 to FY99-00, the number of workers' compensation claims decreased by 8% from 796 in FY97-98 to 735 in FY99-00. During the same time frame, the average cost per claim decreased by 32% from \$1,847 in FY97-98 to \$1,257 in FY99-00.

The Sheriff's department had the highest number of claims and the highest dollars paid. The number of claims has decreased to 254 in FY99-00 from 332 in FY98-99, the total dollars paid and the average cost per claim continue to show downward trends as well. The Sheriff, Maricopa Health System and Rabies Animal Control incurred 62% of all County workers' compensation claims. Specifically, their percentages were 34%, 24% and 4%, respectively.

Recommendations:

All Departments: As Maricopa County redefines its role in occupational safety, a new safety awareness or culture within our organization must be understood at all levels of management. The roles of directors, managers, and supervisors in how to achieve a safety awareness culture for Maricopa County must be developed, embraced and communicated to all employees.

Department directors, managers, and supervisors must master many challenges encountered on the job. It is understood that managers and supervisors are responsible for production, quality, scheduling, and training. The inclusion of safety as an accountable element in the management role is a significant change in how safety issues relate in the workplace.

Injuries, lost-time accidents, lost work days, and vehicle accidents negatively affect productivity in the workplace. These issues not only cost Maricopa County millions in lost dollars, but severely impact employee effectiveness, morale and productivity.

Senior management's commitment and front line supervisors' accountability are the keys in maintaining day-to-day safety requirements in every organization, particularly with regard to stemming unsafe acts. Safety is one aspect of production, comparable to attaining required precision or elimination of waste. The supervisor is inevitably the person directly responsible for seeing that the work is done safely.

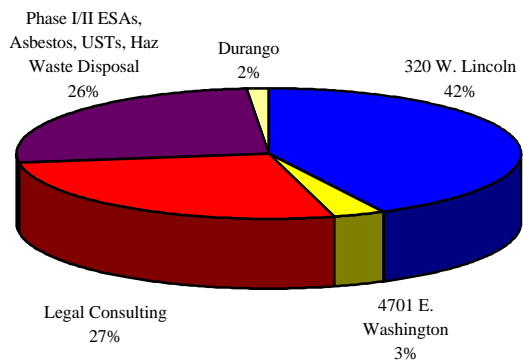
In creating a safety culture, the following sequence of steps are necessary:

1. **Awareness**: Increase employee awareness regarding safety by using safety posters, safety handouts, warning signs, tailgate meetings, and safety training.
2. **Recognition**: Conduct safety inspections, establish safety committees, and initiate safety incentive programs to recognize employees' accident prevention efforts.
3. **Top Management Support**: Establish a proactive safety management system, conduct accident investigations to determine root causes of accidents, and ensure both mandated and other employee safety training are conducted.
4. **Accountability**: All department directors, supervisors, and employees should have included in their respective performance plans, measurable safety goals and objectives. The assignment of responsibility and accountability for safety is of paramount importance. Safety goals need to be established and safety activities need to be measured.
5. **Culture**: Safety must become an integral part of all departments' operations. Occupational safety is a team effort. Senior level management support and commitment coupled with department director, supervisor, and employee assigned responsibility and accountability makes the safety culture work. Commitment from management and employees create a safe working environment.

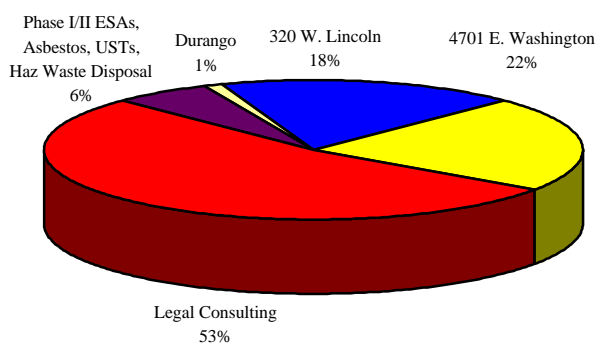
The departments that are well on their way to reaching this concept of a Safety culture are now realizing that it requires just as much effort and hard work to maintain the momentum. To this end, the Safety Office will continue to develop new training programs and other proactive efforts to assist departmental leadership in any way possible. This increase in collaborative efforts will continue to result in savings for Maricopa County, not only in dollars but also in the protection of our most valuable asset, our employees.

ENVIRONMENTAL INVESTIGATION/REMEDIAL ACTION EXPENSES BY FISCAL YEAR

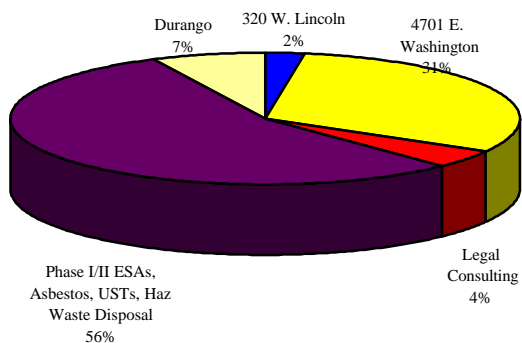
FY97-98



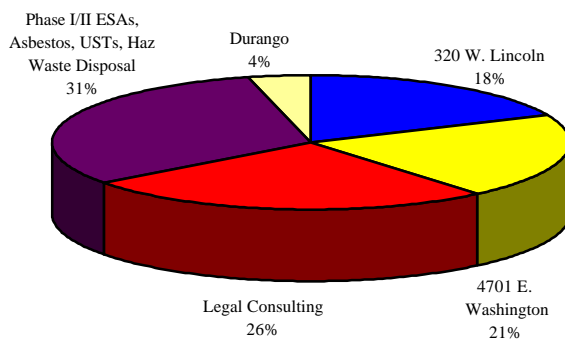
FY98-99



FY99-00



TOTAL FY98-00



| | 320 W. Lincoln | 4701 E. Washington | Legal Consulting | Phase I/II ESAs, Asbestos, USTs, Haz Waste Disposal | Durango | Total |
|---------------|----------------|--------------------|------------------|---|-----------|------------|
| FY97-98 | \$ 83,747 | \$ 6,907 | \$ 53,244 | \$ 50,733 | \$ 3,008 | \$ 197,638 |
| FY98-99 | \$ 40,598 | \$ 49,943 | \$ 118,271 | \$ 13,082 | \$ 2,699 | \$ 224,593 |
| FY99-00 | \$ 7,361 | \$ 91,655 | \$ 12,864 | \$ 162,934 | \$ 21,292 | \$ 296,106 |
| TOTAL FY98-00 | \$ 131,707 | \$ 148,505 | \$ 184,379 | \$ 226,749 | \$ 26,999 | \$ 718,338 |

Notes: These costs have been previously summarized as expense items, not by site for the fiscal years presented.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Balance Sheets—Internal Service Funds
June 30, 2000

| | <u>Risk Management</u> | <u>Employee Benefits</u> |
|--|-----------------------------------|-------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents- | | |
| Risk management | \$ 15,505,193 | |
| Environmental insurance claims recovery | 2,026,433 | |
| Employee benefits | | \$ 3,788,563 |
| Interest receivable | 189,724 | 42,303 |
| Due from other governmental units | | 19,342 |
| Prepaid insurance | 650,255 | 2,000 |
| Total current assets | <u>18,371,605</u> | <u>3,852,208</u> |
| Restricted assets: | | |
| Investments held by trustee | <u>2,347,238</u> | |
| Total restricted assets | <u>2,347,238</u> | |
| Property, plant, and equipment: | | |
| Machinery and equipment | 110,693 | 96,969 |
| Less: accumulated depreciation | (45,491) | (27,526) |
| Net property, plant, and equipment | <u>65,202</u> | <u>69,443</u> |
| Total assets | <u><u>\$ 20,784,045</u></u> | <u><u>\$ 3,921,651</u></u> |
| Liabilities and fund equity | | |
| Liabilities: | | |
| Accounts payable | \$ 771,818 | \$ 36,685 |
| Accrued liabilities | | 929,285 |
| Employee compensation payable | 84,550 | 56,424 |
| Deposits held for others | | 153,258 |
| Reported but unpaid claims: | | |
| Auto liability | 201,704 | |
| General liability | 11,585,266 | |
| Workers' compensation | 8,491,665 | |
| Medical malpractice | 7,947,429 | |
| Auto physical damage | 66,793 | |
| Property | 245,725 | |
| Incurred but not reported claims: | | |
| Auto liability | 655,660 | |
| General liability | 5,074,823 | |
| Workers' compensation | (103,201) | |
| Medical malpractice | 8,864,760 | |
| Employee medical | | 82,139 |
| Short-term disability | | 87,028 |
| Total liabilities | <u>43,886,992</u> | <u>1,344,819</u> |
| Fund equity: | | |
| Contributed capital | 2,886,478 | 30,445 |
| Retained earnings (accumulated deficit) | (25,989,425) | 2,546,387 |
| Total fund equity (deficit) | <u>(23,102,947)</u> | <u>2,576,832</u> |
| Total liabilities and fund equity | <u><u>\$ 20,784,045</u></u> | <u><u>\$ 3,921,651</u></u> |

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Revenues, Expenses, and
Changes in Fund Equity—Internal Service Funds
Year Ended June 30, 2000

| | <u>Risk Management</u> | <u>Employee Benefits</u> |
|---|-----------------------------------|-------------------------------------|
| Operating revenues: | | |
| Charges for services | \$ 18,134,977 | \$ 1,524,415 |
| Insurance recoveries | 263,560 | |
| County and employee premiums | | 44,728,689 |
| Other | | 31,138 |
| Total operating revenues | <u>18,398,537</u> | <u>46,284,242</u> |
| Operating expenses: | | |
| Personal services | 941,179 | 521,431 |
| Supplies and services | 477,355 | 298,749 |
| Brokers' fees | 39,000 | |
| Consulting and management fees | 314,856 | 162,205 |
| Claims administration service fees | 201,828 | 69,254 |
| Legal expenses | 4,395,331 | |
| Claims and insurance: | | |
| Auto liability claims paid | 410,456 | |
| Auto liability claims reported decrease in estimate | (87,892) | |
| Auto liability IBNR claims decrease in estimate | (260,223) | |
| Total auto liability | <u>62,341</u> | |
| General liability claims paid | 2,691,063 | |
| General liability claims reported decrease in estimate | (2,144,703) | |
| General liability IBNR claims increase in estimate | 1,598,160 | |
| Total general liability | <u>2,144,520</u> | |
| Workers' compensation claims paid | 2,900,655 | |
| Workers' compensation claims reported increase in estimate | 1,692,352 | |
| Workers' compensation IBNR claims increase in estimate | 41,300 | |
| Total workers' compensation | <u>4,634,307</u> | |
| Medical malpractice claims paid | 2,249,380 | |
| Medical malpractice claims reported decrease in estimate | (541,631) | |
| Medical malpractice IBNR claims increase in estimate | 1,975,462 | |
| Total medical malpractice | <u>3,683,211</u> | |
| Auto physical damage claims paid | 181,378 | |
| Auto physical damage claims reported decrease in estimate | (17,715) | |
| Total auto physical damage | <u>163,663</u> | |
| Property claims paid | 87,723 | |
| Property claims reported increase in estimate | 3,496 | |
| Total property | <u>91,219</u> | |
| Employee medical claims paid | | 6,952 |
| Employee medical IBNR claims decrease in estimate | | (6,952) |
| Total employee medical | | <u>0</u> |
| Short-term disability claims paid | | 696,724 |
| Short-term disability IBNR claims increase (decrease) in estimate | | 0 |
| Total short-term disability | | <u>696,724</u> |

See accompanying notes to financial statements.

(Continued)

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Revenues, Expenses, and
Changes in Fund Equity—Internal Service Funds
Year Ended June 30, 2000
(Continued)

| | <u>Risk Management</u> | <u>Employee Benefits</u> |
|--|-----------------------------------|-------------------------------------|
| General liability insurance premiums | \$ 482,718 | |
| Workers' compensation insurance premiums | 152,781 | |
| Individual blanket bonds | 21,308 | |
| Unemployment claims | 339,966 | |
| Property insurance premiums | 283,288 | |
| Malpractice insurance premiums | 579,548 | |
| Depreciation | 17,058 | \$ 9,733 |
| Dental insurance | | 3,712,378 |
| Health insurance | | 36,022,269 |
| Life insurance | | 2,735,419 |
| Mental health programs | | 1,132,154 |
| Sightcare insurance | | 421,267 |
| Other insurance | | 180,194 |
| Total operating expenses | <u>19,025,477</u> | <u>45,961,777</u> |
| Operating income (loss) | (626,940) | 322,465 |
| Nonoperating revenues (expenses): | | |
| Investment income | 845,512 | 173,985 |
| Loss on disposal of property, plant, and equipment | | (26,287) |
| Net nonoperating revenues | <u>845,512</u> | <u>147,698</u> |
| Net income | 218,572 | 470,163 |
| Fund equity (deficit), July 1, 1999 | <u>(23,321,519)</u> | <u>2,106,669</u> |
| Fund equity (deficit), June 30, 2000 | <u><u>\$ (23,102,947)</u></u> | <u><u>\$ 2,576,832</u></u> |

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Cash Flows—Internal Service Funds
Year Ended June 30, 2000

| | Risk Management | Employee Benefits |
|--|----------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Operating income (loss) | \$ (626,940) | \$ 322,465 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation | 17,058 | 9,733 |
| Net change in liability for incurred but not reported claims | 3,354,699 | (6,952) |
| Changes in assets and liabilities: | | |
| Increase in: | | |
| Due from other governmental units | | (19,342) |
| Accrued liabilities | | 303,126 |
| Accounts payable | 441,339 | 4,629 |
| Decrease in: | | |
| Other receivable | | 83,225 |
| Due from other County funds | | 1,618,745 |
| Prepaid insurance | 28,459 | |
| Employee compensation payable | (21,710) | (5,498) |
| Due to other County funds | (3,012) | (1,355) |
| Deposits held for others | | (10,837) |
| Liability for reported but unpaid claims | (1,096,093) | |
| Net cash provided by operating activities | <u>2,093,800</u> | <u>2,297,939</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of machinery and equipment | (30,881) | (26,814) |
| Net cash used for capital and related financing activities | <u>(30,881)</u> | <u>(26,814)</u> |
| Cash flows from investing activities: | | |
| Interest on investments | 817,612 | 145,401 |
| Proceeds from sale of investments held by trustee | 2,363,476 | |
| Purchase of investments held by trustee | (2,347,238) | |
| Net cash provided by investing activities | <u>833,850</u> | <u>145,401</u> |
| Net increase in cash and cash equivalents | 2,896,769 | 2,416,526 |
| Cash and cash equivalents, July 1, 1999 | <u>14,634,857</u> | <u>1,372,037</u> |
| Cash and cash equivalents, June 30, 2000 | <u>\$ 17,531,626</u> | <u>\$ 3,788,563</u> |
| Noncash investing, capital, and financing activities: | | |
| Disposal of property, plant, and equipment | | \$ (90,452) |
| Elimination of accumulated depreciation related to disposals | | 64,165 |
| Loss on disposal of property, plant, and equipment | | 26,287 |

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT TRUST FUND
Statement of Revenues, Expenses, and
Changes in Fund Equity—Internal Service Fund
Budget and Actual
Year Ended June 30, 2000

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|------------------------|--------------------|
| Operating revenues: | | | |
| Charges for services | \$ 18,134,977 | \$ 18,134,977 | \$ - |
| Insurance recoveries | 325,000 | 263,560 | (61,440) |
| Other | | | |
| Total operating revenues | <u>18,459,977</u> | <u>18,398,537</u> | <u>(61,440)</u> |
| Operating expenses: | | | |
| Personal services | 981,721 | 941,179 | 40,542 |
| Supplies and services | 603,425 | 477,355 | 126,070 |
| Brokers' fees | 47,000 | 39,000 | 8,000 |
| Consulting and management fees | 267,300 | 314,856 | (47,556) |
| Claims administration service fees | 220,800 | 201,828 | 18,972 |
| Legal expenses | 2,291,934 | 4,395,331 | (2,103,397) |
| Total auto liability | 698,738 | 62,341 | 636,397 |
| Total general liability | 4,588,091 | 2,144,520 | 2,443,571 |
| Total workers' compensation | 2,340,887 | 4,634,307 | (2,293,420) |
| Total medical malpractice | 3,597,116 | 3,683,211 | (86,095) |
| Total auto physical damage | 554,723 | 163,663 | 391,060 |
| Total property | 221,124 | 91,219 | 129,905 |
| Environmental contingency | 300,000 | | 300,000 |
| General liability insurance premiums | 375,250 | 482,718 | (107,468) |
| Workers' compensation insurance premiums | 118,821 | 152,781 | (33,960) |
| Individual blanket bonds | 26,727 | 21,308 | 5,419 |
| Unemployment claims | 470,500 | 339,966 | 130,534 |
| Property insurance premiums | 285,733 | 283,288 | 2,445 |
| Malpractice insurance premiums | 592,527 | 579,548 | 12,979 |
| Other insurance | 130,541 | | 130,541 |
| Depreciation | | 17,058 | (17,058) |
| Total operating expenses | <u>\$18,712,958</u> | <u>\$19,025,477</u> | <u>(\$312,519)</u> |
| Operating loss | | (626,940) | |
| Nonoperating revenues (expenses): | | | |
| Investment income | 563,371 | 845,512 | 282,141 |
| Net nonoperating revenues | <u>563,371</u> | <u>845,512</u> | |
| Net income | | 218,572 | |
| Fund deficit, July 1, 1999 | | <u>(23,321,519)</u> | |
| Fund deficit, June 30, 2000 | | <u>\$ (23,102,947)</u> | |

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

NOTE 1 - Summary of Significant Accounting Policies

The County, in the exercise of the authority granted by Arizona Revised Statutes (A.R.S.) §11-981, has established a trust fund and declares itself self-insured. For financial statement presentation purposes, the Self-Insured Trust Fund is reported as Risk Management and Employee Benefits Trust Funds (Funds). The Funds' financial statements are prepared in conformity with generally accepted accounting principles, as set forth primarily in Governmental Accounting Standards Board (GASB) Statements No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and No. 30, *Risk Financing Omnibus*. A summary of the more significant accounting policies of the Funds follows.

A. Reporting Entity

The Self-Insured Trust Fund is under the direction of an administrator appointed by the Board of Supervisors of Maricopa County, Arizona. In addition, the trust is administered by no less than nine joint trustees, all of whom shall be citizens of the United States of America and residents of Maricopa County, Arizona. The County Board of Supervisors also appoints the trustees. However, the ultimate financial accountability for the Funds remains with the County. The County is responsible for the management and operations of the financing of the uninsured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and for certain health benefits (major medical and short-term disability) to eligible employees and their dependents.

B. Fund Accounting

The Funds apply only those applicable Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The Funds' accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on their available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

The Funds' financial transactions are recorded and reported as internal service funds since their operations are financed and operated in a manner similar to private business enterprises. The intent of the County Board of Supervisors is that the costs (expenses, including depreciation) of providing goods or services to other departments within the County on a continuing basis be financed or recovered primarily through user charges. The measurement focus of the Funds is on the flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operations of the Funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

C. Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied and determines when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements of the Funds are presented on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Interfund transfers that would be treated as revenues or expenses if they involved parties external to Maricopa County are recorded in the appropriate revenue or expense account.

D. Cash and Cash Equivalents

The Funds' cash and cash equivalents are held by the County Treasurer in its investment pool, and they are reported at fair value. The Funds' investments in the County Treasurer's investment pool represents proportionate interests in that pool's portfolio; however, the Funds' portions are not identified with specific investments and are not subject to custodial credit risk. No oversight is provided for the County Treasurer's investment pool, and the pool's structure does not provide for shares. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on their average daily cash balance on a quarterly basis. Interest earned and not received prior to June 30, is recorded as interest receivable.

For purposes of the statement of cash flows, cash and cash equivalents consist of the Funds' share of the pooled portfolio of specific investments and repurchase agreements purchased by the Maricopa County Treasurer's Office. The County considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

E. Property, Plant, and Equipment

Property, plant, and equipment are capitalized at cost. Depreciation of property, plant, and equipment is charged as an expense against operations. These assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of machinery and equipment range from 3 to 10 years.

F. Employee Compensation Payable

Employee compensation payable consists of payroll and payroll related costs incurred at June 30, personal time off (PTO) and a calculated amount of family/medical leave (FML) earned by employees based on services already rendered. Employees may accumulate up to 240 hours of PTO, but any PTO hours in excess of the maximum amount that are unused at year-end will be transferred to FML. FML benefits are used by employees for FML qualifying events and are cumulative but do not vest with employees and therefore, are not accrued. However, upon retirement, employees of the Funds with accumulated FML in excess of 1,000 hours are entitled to a \$3,000 bonus. The amount of such bonuses is accrued in the liability of employee compensation payable.

NOTE 2 - Due from Other Governmental Units

Due from other governmental units for the Employee Benefits Trust Fund consists of insurance premiums withheld from retirees' pension checks by the Public Safety Personnel Retirement System and not transferred to the County prior to June 30.

NOTE 3 - Prepaid Insurance

Prepaid insurance for the Risk Management Trust Fund consists of \$570,255 of prepaid broker services, workers' compensation, general and auto liability, property, blanket bonds, and malpractice insurance policies. The initial premiums for these policies are amortized pro rata over each policy or contract term using the consumption method. The remaining balance of \$80,000 consists of prepaid deposits to the workers' compensation third party administrator.

Prepaid insurance for the Employee Benefits Trust Fund consists of prepaid deposits to the short-term disability third party administrator.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

NOTE 4 - Investments Held by Trustee

Investments held by trustee consist of a one-year U.S. Treasury note that matures on June 30, 2001, and is stated at cost, which approximates fair value. The investment was purchased by an outside financial institution and held by its trustee in the County's name. The investment is held as a performance bond for unfunded workers' compensation claims as required by the Industrial Commission of Arizona.

NOTE 5 - Deposits Held for Others

Deposits held for others consist of employee flexible spending account contributions for health care and dependent care. The balance is composed of the excess of current plan year contributions over withdrawals and forfeitures since program inception.

NOTE 6 - Liabilities for Unpaid Claims

The Funds provide for claims liabilities based on estimates of the ultimate cost of claims, including future claims adjustment expenses, that have been reported but not settled, and of claims that have been incurred but not reported.

The County is liable for any single claim up to the insurance deductible or self-insurance retention (SIR), whichever is applicable, and the excess of insurance limits. The following insurance deductibles, self-insurance retentions, and insurance limits were in effect during fiscal year 1999-00:

| <u>Policy Type</u> | <u>Deductible</u> | <u>SIR</u> | <u>Limit</u> |
|--|-------------------|--------------|---------------|
| General and auto liability | | \$ 1,000,000 | \$ 25,000,000 |
| Excess general and auto liability | | primary | 25,000,000 |
| Property liability/inland marine including boiler and machinery | \$ 100,000 | | 601,095,289 |
| Earthquake | | | 10,000,000 |
| Flood zones B and C | | | 100,000,000 |
| Flood zone A | | | 10,000,000 |
| Difference in conditions | | | 40,000,000 |
| Employee dishonesty | 50,000 | | 10,000,000 |
| Theft and robbery | 5,000 | | 1,000,000 |

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

| <u>Policy Type</u> | <u>Deductible</u> | <u>SIR</u> | <u>Limit</u> |
|--|-------------------|------------|---------------|
| Computer and wire transfer fraud | \$ 50,000 | | \$ 10,000,000 |
| Forgery alteration/property | 5,000 | | 1,000,000 |
| Aviation (owner, landlord, and tenant – OL&T) premises | none | | 20,000,000 |
| Excess workers' compensation | | \$ 250,000 | statutory |
| Employer's liability | | | 1,000,000 |
| Self-insurer's guaranty bond | none | | 250,000 |
| Medical malpractice | | 1,000,000 | 10,000,000 |
| Excess medical malpractice | | primary | 15,000,000 |
| Employee medical | | 75,000 | no limit |

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.

Risk Management Trust Fund

Liabilities for unpaid claims are estimates of the ultimate cost of claims that include the insurance deductible, the SIR, and the excess of insurance limits. The estimates are determined by an independent actuary using the following actuarial methods: incurred loss development, paid loss development, frequency/severity, exposure/loss rate (incurred losses), and the exposure/loss rate (paid losses). Total liabilities are equal to the sum of:

1. Reported but unpaid claims (RBUC), which represent the estimated liability on reported claims established by the Risk Management department and
2. Incurred but not reported (IBNR) reserves, which include known loss events that are expected to become claims and expected future development on claims already reported. IBNR, therefore, is largely an estimate of loss and claim adjustment expenses associated with future likely claims activity based on historical actual results that establish a reliable pattern.

Accrued actuarial liabilities are based on a discounted 55 percent confidence level assuming a 5.27 percent annual rate of return on future investment income.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

The liabilities reported at June 30, 2000, for each insurable area follow:

| | |
|-----------------------|----------------------|
| Auto liability | \$ 857,364 |
| General liability | 16,660,089 |
| Workers' compensation | 8,388,464 |
| Medical malpractice | 16,812,189 |
| Auto physical damage | 66,793 |
| Property | 245,725 |
| Total | <u>\$ 43,030,624</u> |

The total estimates of unpaid claim liabilities of \$43.0 million at June 30, 2000, increased by approximately \$2.2 million from last year's balance of \$40.8 million. Most of the increase in the estimates of unpaid claim liabilities occurred in workers' compensation. The workers' compensation estimated reserve increased, since there has been a decrease in the closure rate of claims, resulting in a higher reported but unpaid claims liability.

Changes in the liabilities for unpaid auto, general, workers' compensation, medical malpractice, auto physical damage, and property claims follow:

| | Balance | Current-Year | | Balance |
|---------|----------------------|--------------------------|------------------------|-----------------------|
| | <u>July 1</u> | Claims and | | <u>June 30</u> |
| | | <u>Changes in</u> | <u>Claims</u> | |
| | | <u>Estimates</u> | <u>Payments</u> | |
| 1997-98 | \$ 27,589,951 | \$ 10,949,249 | \$ (8,166,303) | \$ 30,372,897 |
| 1998-99 | 30,372,897 | 19,724,588 | (9,325,467) | 40,772,018 |
| 1999-00 | 40,772,018 | 10,779,261 | (8,520,655) | 43,030,624 |

Employee Benefits Trust Fund

The liability for medical and short-term disability claims as shown below is based on the fiscal year 1996-97 actuarial report and claims paid in fiscal years 1997-98, 1998-99, and 1999-00. Effective January 1, 1998, all employee medical benefits are now provided through commercial insurance. The County is still liable for claims filed under the previous medical coverage.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

Accrued actuarial liabilities at June 30, 2000, for each insurable area follow:

| | |
|-----------------------|-------------------|
| Employee medical | \$ 82,139 |
| Short-term disability | 87,028 |
| Total | <u>\$ 169,167</u> |

Changes in the liabilities for unpaid medical and short-term disability claims follow:

| | Balance | Current-Year | Claims | Balance |
|---------|----------------------|--------------------------|------------------------|-----------------------|
| | <u>July 1</u> | <u>Claims and</u> | <u>Payments</u> | <u>June 30</u> |
| | | <u>Changes in</u> | | |
| | | <u>Estimates</u> | | |
| 1997-98 | \$ 3,664,306 | \$ 7,175,112 | \$ (10,346,151) | \$ 493,267 |
| 1998-99 | 493,267 | 442,472 | (759,620) | 176,119 |
| 1999-00 | 176,119 | 696,724 | (703,676) | 169,167 |

NOTE 7 - Fund Deficit

The County Board of Supervisors elected not to fund the Risk Management Trust Fund's unpaid claims in fiscal years 1995-96 through 1998-99. Consequently, the Risk Management Trust Fund only billed user departments for operating costs and administrative expenses for those years. This resulted in a fund deficit of \$23,102,947 at June 30, 2000. Starting July 1, 1999, Risk Management began billing user departments for actuarially determined claim estimates that are projected to be paid each fiscal year.

NOTE 8 - Retirement Plan

Plan Description—The Funds contribute to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

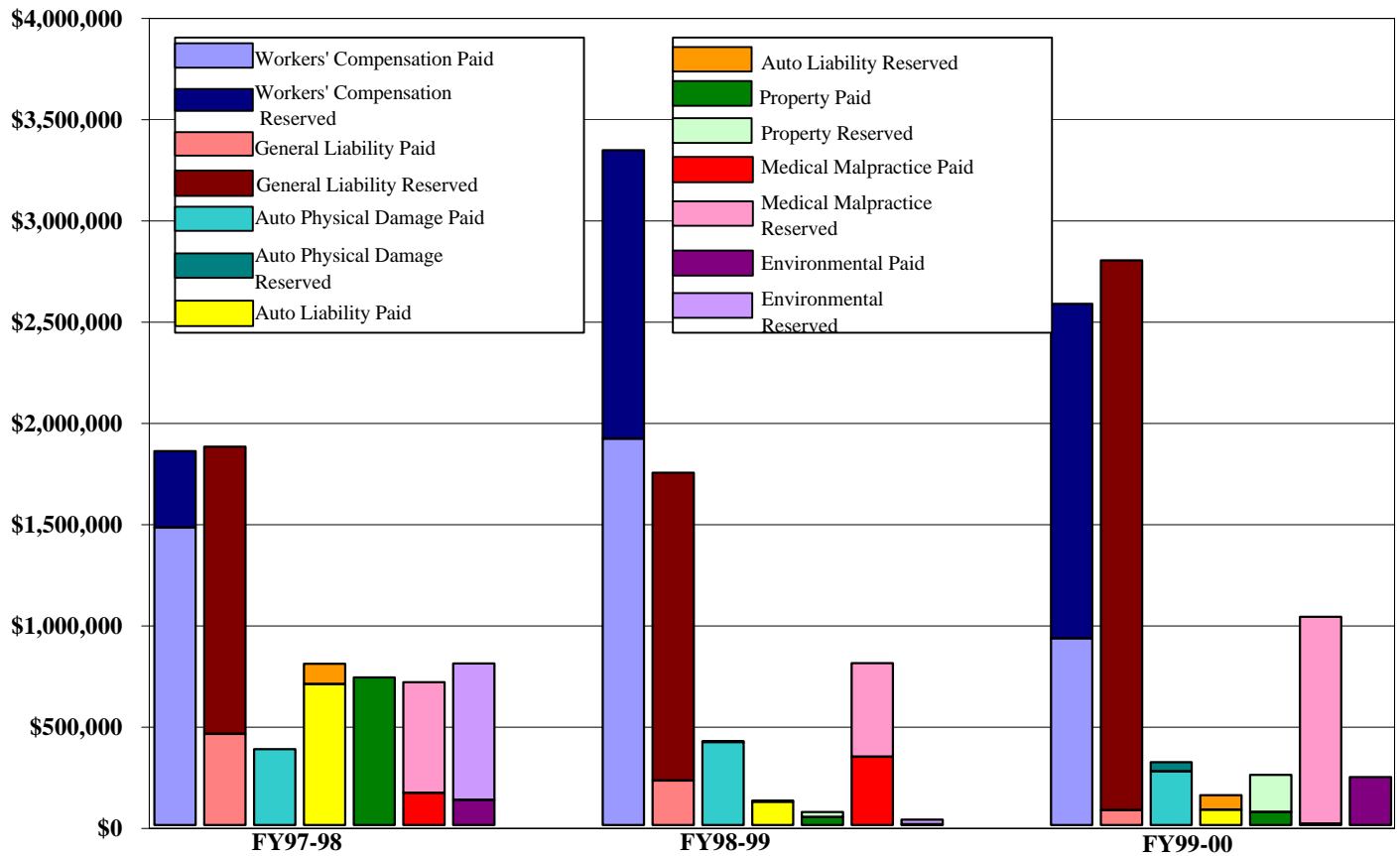
MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2000

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the Funds' contribution rates. For the year ended June 30, 2000, active plan members and the Funds were each required by statute to contribute at the actuarially determined rate of 2.66 percent (2.17 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The Funds' contributions to the System for the years ended June 30, 2000, 1999, and 1998 were \$31,546, \$47,554, and \$47,517 respectively, which were equal to the required contributions for the year.

NOTE 9 - Subsequent Change in Classification of Revenues and Expenses

Effective July 1, 2000, the County will be reporting only self-insurance activities in the Employee Benefits Trust Fund. Administrative costs and activities that are not self-insured will no longer be reported. This change will result in an approximate 85 percent decrease in Employee Benefits Trust Fund revenues and expenses.

TOTAL COST INCURRED FY97-98 TO FY99-00



| | | Workers' Compensation | General Liability | Auto Physical Damage | Auto Liability | Property | Medical Malpractice | Environmental | Total |
|---------------|----------------|-----------------------|-------------------|----------------------|----------------|-------------|---------------------|---------------|--------------|
| FY97-98 | \$ Paid | \$1,469,907 | \$451,092 | \$376,330 | \$696,831 | \$730,204 | \$160,227 | \$126,060 | \$4,010,651 |
| | Open Reserve | \$377,429 | \$1,419,506 | \$99 | \$100,761 | \$0 | \$545,923 | \$673,940 | \$3,117,658 |
| | Total Incurred | \$1,847,336 | \$1,870,598 | \$376,429 | \$797,592 | \$730,204 | \$706,150 | \$800,000 | \$7,128,309 |
| FY98-99 | \$ Paid | \$1,909,748 | \$220,632 | \$410,375 | \$115,458 | \$40,163 | \$338,959 | \$4,194 | \$3,039,529 |
| | Open Reserve | \$1,423,988 | \$1,520,824 | \$1,626 | \$7,122 | \$25,786 | \$461,789 | \$24,254 | \$3,465,389 |
| | Total Incurred | \$3,333,736 | \$1,741,456 | \$412,001 | \$122,580 | \$65,949 | \$800,748 | \$28,448 | \$6,504,918 |
| FY99-00 | \$ Paid | \$923,689 | \$75,617 | \$266,694 | \$76,229 | \$65,220 | \$7,858 | \$237,917 | \$1,653,224 |
| | Open Reserve | \$1,651,780 | \$2,714,776 | \$44,616 | \$72,076 | \$183,283 | \$1,021,621 | \$378 | \$5,688,530 |
| | Total Incurred | \$2,575,469 | \$2,790,393 | \$311,310 | \$148,305 | \$248,503 | \$1,029,479 | \$238,295 | \$7,341,754 |
| TOTAL FY98-00 | \$ Paid | \$4,303,344 | \$747,341 | \$1,053,399 | \$888,518 | \$835,587 | \$507,044 | \$368,171 | \$8,703,404 |
| | Open Reserve | \$3,453,197 | \$5,655,106 | \$46,341 | \$179,959 | \$209,069 | \$2,029,333 | \$698,572 | \$12,271,577 |
| | Total Incurred | \$7,756,541 | \$6,402,447 | \$1,099,740 | \$1,068,477 | \$1,044,656 | \$2,536,377 | \$1,066,743 | \$20,974,981 |

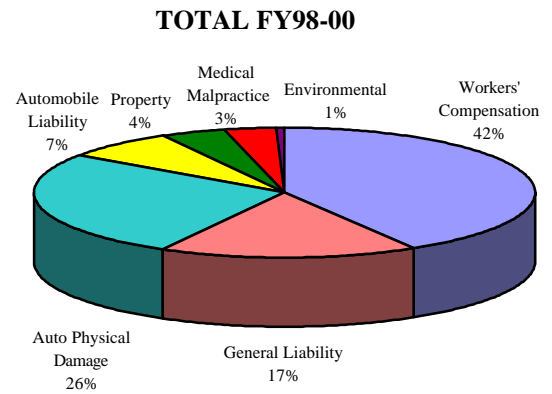
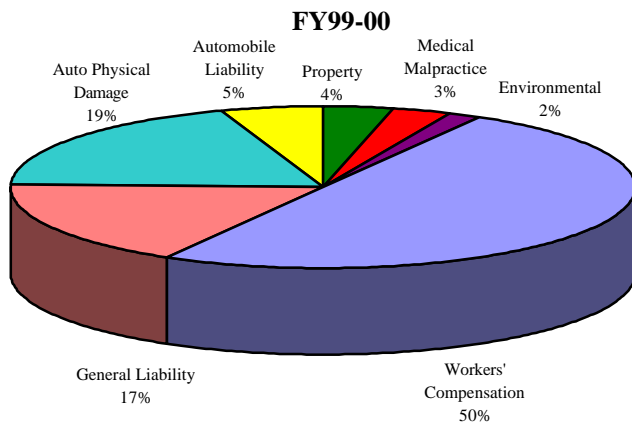
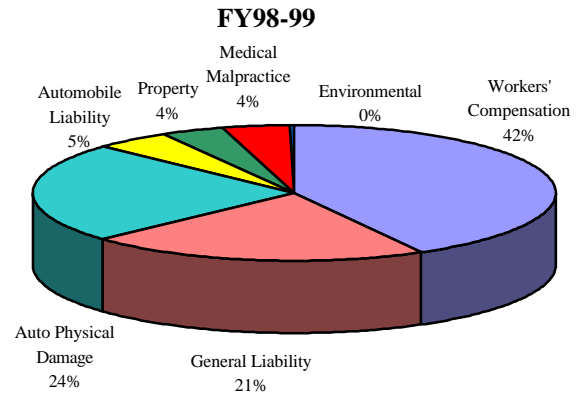
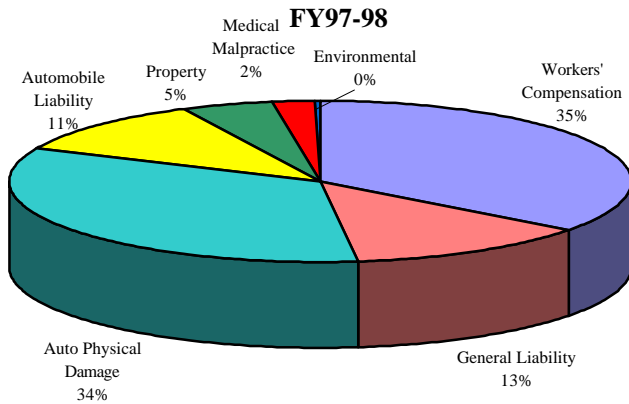
Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2000, as reported by the Tristar System.

TOTAL CLAIMS SUMMARY TABLE
FY97-98 TO FY99-00
Top 25 Departments

| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------------|----------|-------------|----------|-------------|----------|-------------|---------------|-------------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ADULT PROBATION | 38 | \$49,650 | 26 | \$15,981 | 31 | \$29,930 | 95 | \$95,560 |
| ALTCS | 16 | \$4,761 | 19 | \$130,053 | 7 | \$3,240 | 42 | \$138,055 |
| CLERK OF SUPERIOR COURT | 31 | \$19,830 | 26 | \$71,601 | 16 | \$19,517 | 73 | \$110,948 |
| CORRECTIONAL HEALTH | 26 | \$73,987 | 28 | \$14,931 | 13 | \$186 | 67 | \$89,104 |
| COUNTY ASSESSOR | 8 | \$9,032 | 14 | \$43,151 | 11 | \$517 | 33 | \$52,701 |
| COUNTY ATTORNEY | 35 | \$91,812 | 42 | \$25,082 | 30 | \$30,529 | 107 | \$147,422 |
| ELECTIONS | 2 | \$475 | 38 | \$73,753 | 5 | \$2,622 | 45 | \$76,849 |
| EQUIPMENT SERVICES | 29 | \$4,217 | 20 | \$64,451 | 23 | \$61,610 | 72 | \$130,278 |
| FACILITIES MANAGEMENT | 50 | \$649,911 | 22 | \$20,091 | 22 | \$92,856 | 94 | \$762,858 |
| FLOOD CONTROL | 88 | \$116,565 | 34 | \$39,466 | 43 | \$54,350 | 165 | \$210,380 |
| HOUSING | 30 | \$24,501 | 19 | \$15,448 | 13 | \$40,207 | 62 | \$80,155 |
| HUMAN SERVICES | 38 | \$32,694 | 23 | \$16,206 | 20 | \$10,917 | 81 | \$59,817 |
| JUVENILE COURT CENTER | 44 | \$108,834 | 38 | \$35,467 | 29 | \$19,322 | 111 | \$163,623 |
| LIBRARY | 12 | \$2,768 | 8 | \$42,807 | 13 | \$7,391 | 33 | \$52,966 |
| MARICOPA HEALTH SYSTEM | 258 | \$565,208 | 267 | \$715,006 | 238 | \$266,505 | 763 | \$1,546,718 |
| MCDOT | 297 | \$123,414 | 243 | \$135,514 | 135 | \$52,891 | 675 | \$311,819 |
| MEDICAL ELIGIBILITY | 6 | \$13,519 | 9 | \$38,486 | 4 | \$2,384 | 19 | \$54,390 |
| PARKS & RECREATION | 60 | \$57,917 | 50 | \$32,497 | 24 | \$43,814 | 134 | \$134,228 |
| PLANNING & INFRASTRUCTURE | 16 | \$15,813 | 15 | \$17,898 | 7 | \$6,826 | 38 | \$40,536 |
| PUBLIC HEALTH | 42 | \$46,593 | 43 | \$85,580 | 36 | \$46,693 | 121 | \$178,865 |
| RABIES ANIMAL CONTROL | 60 | \$69,071 | 30 | \$33,133 | 56 | \$32,700 | 146 | \$134,904 |
| RISK MANAGEMENT | 4 | \$126,060 | 0 | \$0 | 10 | \$120,611 | 14 | \$246,671 |
| SHERIFF | 879 | \$1,583,847 | 764 | \$1,240,951 | 570 | \$648,536 | 2213 | \$3,473,334 |
| SOLID WASTE | 34 | \$81,719 | 8 | \$9,560 | 9 | \$3,061 | 51 | \$94,341 |
| SUPERIOR COURTS | 20 | \$9,675 | 20 | \$49,916 | 26 | \$20,725 | 66 | \$80,316 |
| ALL OTHERS | 142 | \$128,778 | 97 | \$72,502 | 79 | \$35,284 | 318 | \$236,564 |
| TOTALS | 2265 | \$4,010,651 | 1903 | \$3,039,529 | 1470 | \$1,653,224 | 5638 | \$8,703,404 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2000, as reported by the Tristar System.

TOTAL NUMBER OF CLAIMS FY97-98 TO FY99-00

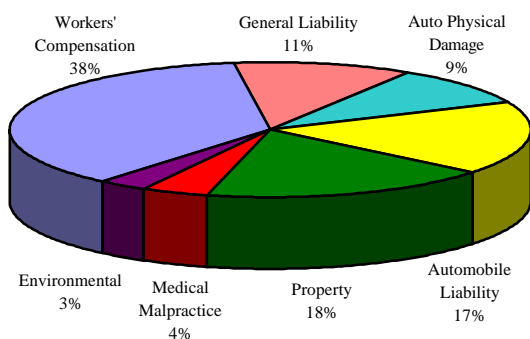


| | FY97-98 | FY98-99 | FY99-00 | TOTAL FY98-00 |
|-----------------------|---------|---------|---------|---------------|
| Workers' Compensation | 796 | 800 | 735 | 2331 |
| General Liability | 292 | 401 | 255 | 948 |
| Auto Physical Damage | 760 | 454 | 279 | 1493 |
| Automobile Liability | 252 | 87 | 77 | 416 |
| Property | 108 | 76 | 53 | 237 |
| Medical Malpractice | 53 | 81 | 46 | 180 |
| Environmental | 4 | 4 | 25 | 33 |
| TOTAL | 2265 | 1903 | 1470 | 5638 |

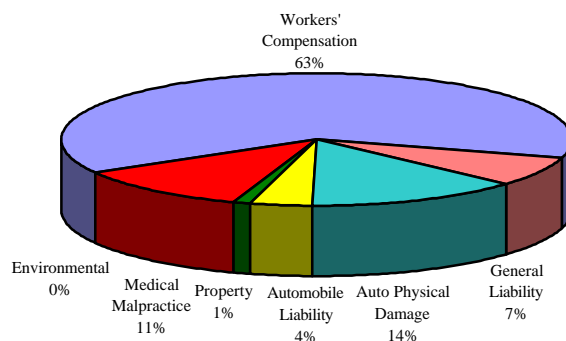
- Notes: 1. Number of claims paid represents the amount of claims for the year in which the event occurred.
 2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2000, as reported by the Tristar System.

TOTAL DOLLARS PAID FY97-98 TO FY99-00

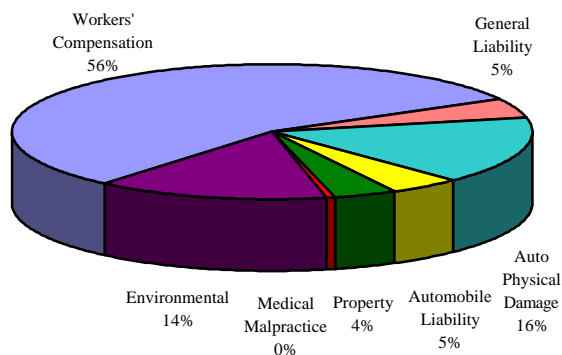
FY97-98



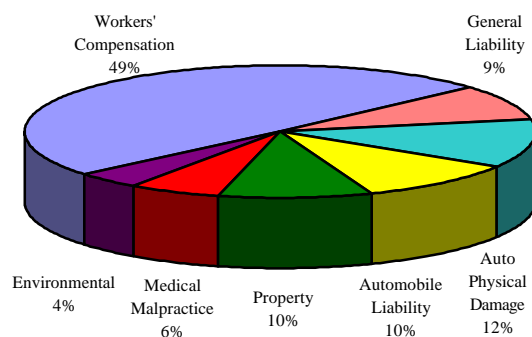
FY98-99



FY99-00



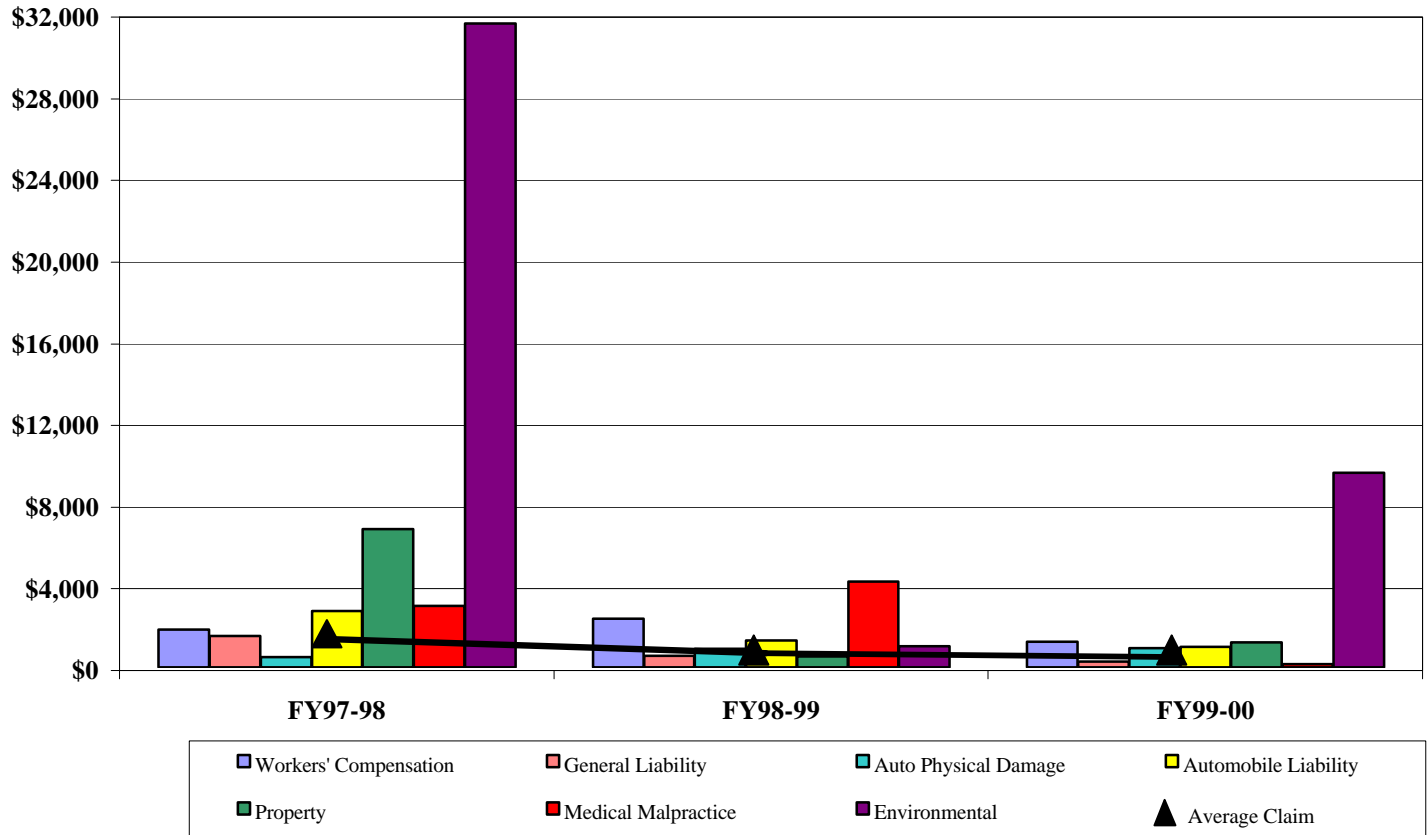
TOTAL FY98-00



| | FY97-98 | FY98-99 | FY99-00 | TOTAL FY98-00 |
|-----------------------|-------------|-------------|-------------|---------------|
| Workers' Compensation | \$1,469,907 | \$1,909,748 | \$923,689 | \$4,303,344 |
| General Liability | \$451,092 | \$220,632 | \$75,617 | \$747,341 |
| Auto Physical Damage | \$376,330 | \$410,375 | \$266,694 | \$1,053,399 |
| Automobile Liability | \$696,831 | \$115,458 | \$76,229 | \$888,518 |
| Property | \$730,204 | \$40,163 | \$65,220 | \$835,587 |
| Medical Malpractice | \$160,227 | \$338,959 | \$7,858 | \$507,044 |
| Environmental | \$126,060 | \$4,194 | \$237,917 | \$368,171 |
| TOTAL | \$4,010,651 | \$3,039,529 | \$1,653,224 | \$8,703,404 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported in the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2000, as reported by the Tristar System.

AVERAGE COST PER CLAIM FY97-98 TO FY99-00



| | FY97-98 | FY98-99 | FY99-00 | Total FY98-00 |
|-----------------------|----------|---------|---------|---------------|
| Workers' Compensation | \$1,847 | \$2,387 | \$1,257 | \$1,846 |
| General Liability | \$1,545 | \$550 | \$297 | \$788 |
| Auto Physical Damage | \$495 | \$904 | \$956 | \$706 |
| Automobile Liability | \$2,765 | \$1,327 | \$990 | \$2,136 |
| Property | \$6,761 | \$528 | \$1,231 | \$3,526 |
| Medical Malpractice | \$3,023 | \$4,185 | \$171 | \$2,817 |
| Environmental | \$31,515 | \$1,049 | \$9,517 | \$11,157 |
| Average Claim Paid | \$1,771 | \$1,597 | \$1,125 | \$1,544 |

- Notes: 1. Average cost per claim represents the dollars paid for the year in which the event occurred per category divided by the number of claims for the year in which the event occurred per category.
2. Total average cost per claim represents the dollars paid for the year in which the event occurred for all categories divided by the number of claims for the year in which the event occurred for all categories.
3. Amounts as valued on June 30, 2000, as reported in the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2000, as reported by the Tristar system.

WORKERS' COMPENSATION LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

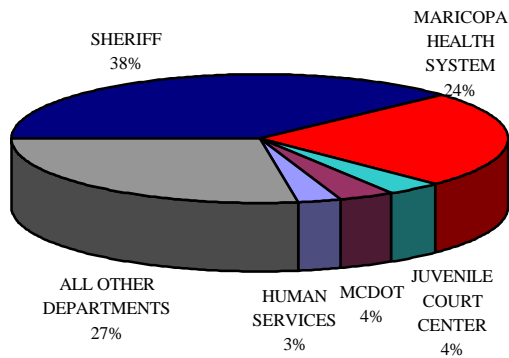
| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|---------------------------|----------|-------------|----------|-------------|----------|-----------|---------------|-------------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ADULT PROBATION | 19 | \$14,754 | 19 | \$10,797 | 25 | \$24,954 | 63 | \$50,505 |
| ALTCS | 14 | \$4,182 | 17 | \$126,973 | 5 | \$3,240 | 36 | \$134,396 |
| BOARD OF SUPERVISORS | 1 | \$28,073 | 1 | \$8,172 | 1 | \$71 | 3 | \$36,316 |
| CLERK OF SUPERIOR COURT | 19 | \$18,036 | 21 | \$70,235 | 12 | \$19,517 | 52 | \$107,788 |
| COUNTY ASSESSOR | 4 | \$8,532 | 7 | \$41,602 | 7 | \$517 | 18 | \$50,651 |
| COUNTY ATTORNEY | 9 | \$12,840 | 15 | \$17,162 | 9 | \$9,437 | 33 | \$39,440 |
| ELECTIONS | 2 | \$475 | 16 | \$66,910 | 2 | \$1,326 | 20 | \$68,711 |
| ENVIROMENTAL SERVICES | 6 | \$15,028 | 12 | \$9,469 | 4 | \$165 | 22 | \$24,662 |
| EQUIPMENT SERVICES | 4 | \$1,766 | 6 | \$38,761 | 10 | \$25,464 | 20 | \$65,991 |
| FACILITIES MANAGEMENT | 16 | \$20,972 | 6 | \$3,103 | 10 | \$9,158 | 32 | \$33,234 |
| FLOOD CONTROL | 7 | \$11,956 | 9 | \$28,477 | 11 | \$20,861 | 27 | \$61,294 |
| HOUSING | 2 | \$162 | 6 | \$3,750 | 2 | \$9,245 | 10 | \$13,157 |
| HUMAN SERVICES | 23 | \$24,546 | 14 | \$14,919 | 18 | \$10,917 | 55 | \$50,382 |
| JUVENILE COURT CENTER | 29 | \$97,457 | 16 | \$13,825 | 26 | \$19,322 | 71 | \$130,605 |
| LIBRARY | 3 | \$1,909 | 4 | \$40,854 | 8 | \$5,948 | 15 | \$48,711 |
| MARICOPA HEALTH SYSTEM | 194 | \$463,406 | 160 | \$367,381 | 179 | \$228,058 | 533 | \$1,058,845 |
| MCDOT | 28 | \$56,179 | 27 | \$54,915 | 24 | \$15,301 | 79 | \$126,395 |
| MEDICAL ELIGIBILITY | 5 | \$13,381 | 7 | \$32,343 | 3 | \$860 | 15 | \$46,584 |
| PARKS & RECREATION | 9 | \$3,561 | 7 | \$15,674 | 10 | \$33,220 | 26 | \$52,455 |
| PLANNING & INFRASTRUCTURE | 0 | \$0 | 3 | \$12,387 | 1 | \$701 | 4 | \$13,088 |
| PUBLIC HEALTH | 19 | \$33,946 | 30 | \$70,084 | 29 | \$44,120 | 78 | \$148,149 |
| RABIES ANIMAL CONTROL | 18 | \$11,291 | 12 | \$12,887 | 29 | \$28,190 | 59 | \$52,368 |
| SHERIFF | 304 | \$569,193 | 332 | \$767,233 | 254 | \$379,174 | 890 | \$1,715,600 |
| SOLID WASTE | 4 | \$26,927 | 0 | \$0 | 0 | \$0 | 4 | \$26,927 |
| SUPERIOR COURTS | 10 | \$8,229 | 11 | \$49,825 | 16 | \$13,597 | 37 | \$71,651 |
| ALL OTHERS | 47 | \$23,104 | 42 | \$32,012 | 40 | \$20,323 | 129 | \$75,439 |
| TOTALS | 796 | \$1,469,907 | 800 | \$1,909,748 | 735 | \$923,689 | 2331 | \$4,303,344 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Tristar system.

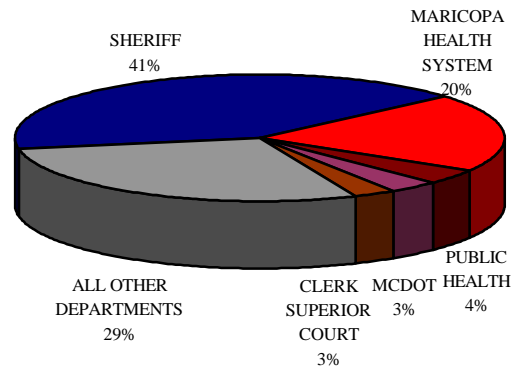
WORKERS' COMPENSATION NUMBER OF CLAIMS

FY97-98 TO FY99-00 - Top 5 Departments

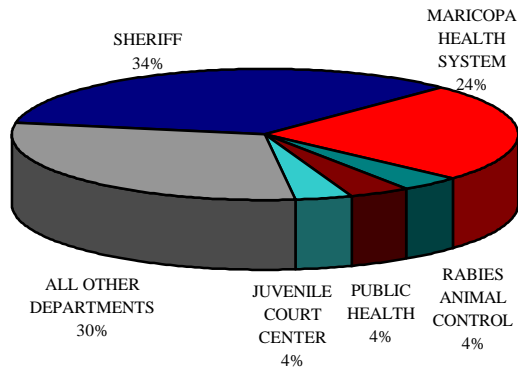
FY97-98



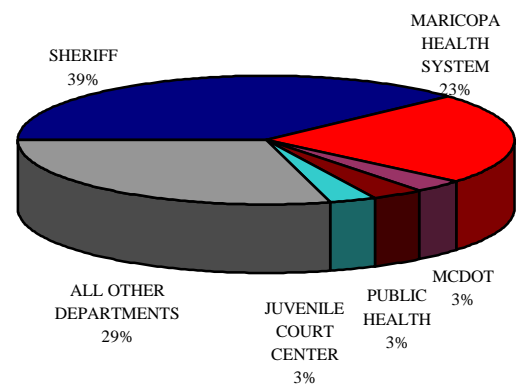
FY98-99



FY99-00



TOTAL FY98-00



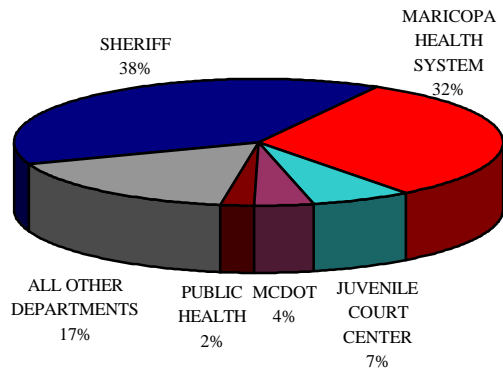
| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------|----------|------------------------|----------|------------------------|----------|------------------------|----------|
| Department | # Claims | Department | # Claims | Department | # Claims | Department | # Claims |
| SHERIFF | 304 | SHERIFF | 332 | SHERIFF | 254 | SHERIFF | 890 |
| MARICOPA HEALTH SYSTEM | 194 | MARICOPA HEALTH SYSTEM | 160 | MARICOPA HEALTH SYSTEM | 179 | MARICOPA HEALTH SYSTEM | 533 |
| JUVENILE COURT CENTER | 29 | PUBLIC HEALTH | 30 | RABIES ANIMAL CONTROL | 29 | MCDOT | 79 |
| MCDOT | 28 | MCDOT | 27 | PUBLIC HEALTH | 29 | PUBLIC HEALTH | 78 |
| HUMAN SERVICES | 23 | CLERK SUPERIOR COURT | 21 | JUVENILE COURT CENTER | 26 | JUVENILE COURT CENTER | 71 |
| ALL OTHER DEPARTMENTS | 218 | ALL OTHER DEPARTMENTS | 230 | ALL OTHER DEPARTMENTS | 218 | ALL OTHER DEPARTMENTS | 680 |

Notes: 1. Number of claims paid represents the amount of claims for the year in which the event occurred.
2. Amounts as valued on June 30, 2000, as reported by the Tristar system.

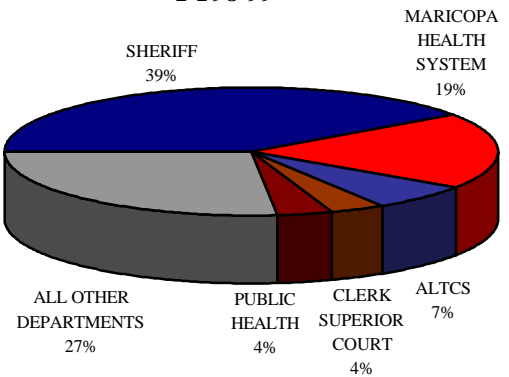
DOLLARS PAID FOR WORKERS' COMPENSATION

FY97-98 TO FY99-00 - Top 5 Departments

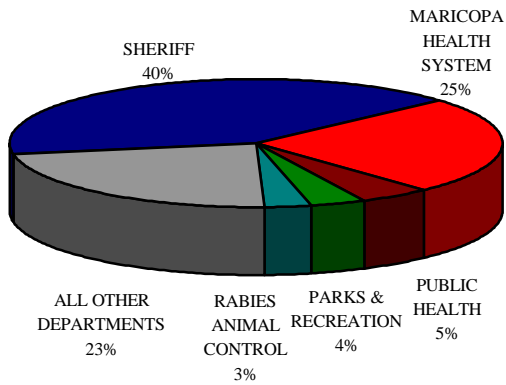
FY97-98



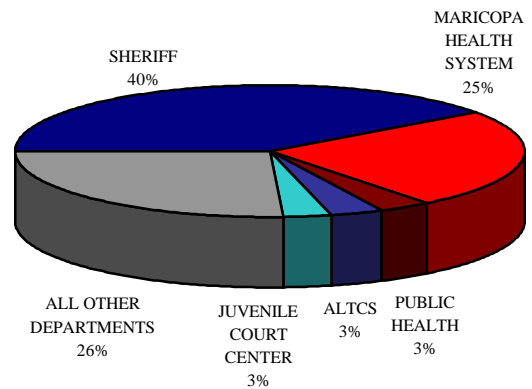
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------|-----------|------------------------|-----------|------------------------|-----------|------------------------|-------------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| SHERIFF | \$569,193 | SHERIFF | \$767,233 | SHERIFF | \$379,174 | SHERIFF | \$1,715,600 |
| MARICOPA HEALTH SYSTEM | \$463,406 | MARICOPA HEALTH SYSTEM | \$367,381 | MARICOPA HEALTH SYSTEM | \$228,058 | MARICOPA HEALTH SYSTEM | \$1,058,845 |
| JUVENILE COURT CENTER | \$97,457 | ALTCS | \$126,973 | PUBLIC HEALTH | \$44,120 | PUBLIC HEALTH | \$148,149 |
| MCDOT | \$56,179 | CLERK SUPERIOR COURT | \$70,235 | PARKS & RECREATION | \$33,220 | ALTCS | \$134,396 |
| PUBLIC HEALTH | \$33,946 | PUBLIC HEALTH | \$70,084 | RABIES ANIMAL CONTROL | \$28,190 | JUVENILE COURT CENTER | \$130,605 |
| ALL OTHER DEPARTMENTS | \$249,725 | ALL OTHER DEPARTMENTS | \$507,843 | ALL OTHER DEPARTMENTS | \$210,927 | ALL OTHER DEPARTMENTS | \$1,115,750 |

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Tristar system.

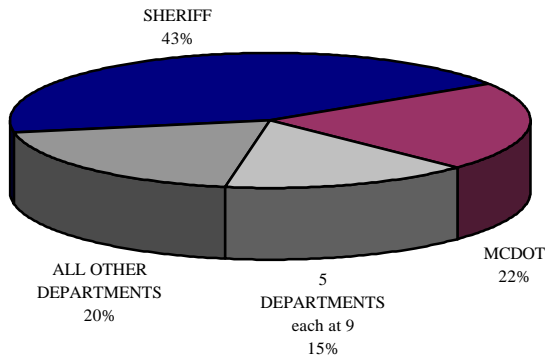
GENERAL LIABILITY LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|---------------------------|----------|-----------|----------|-----------|----------|----------|---------------|-----------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| AMBULATORY CARE | 1 | \$0 | 2 | \$174 | 0 | \$0 | 3 | \$174 |
| BOARD OF SUPERVISORS | 5 | \$0 | 1 | \$0 | 1 | \$0 | 7 | \$0 |
| CLERK OF SUPERIOR COURT | 1 | \$0 | 3 | \$25 | 2 | \$0 | 6 | \$25 |
| CONSTABLES | 1 | \$3 | 1 | \$0 | 0 | \$0 | 2 | \$3 |
| CORRECTIONAL HEALTH | 3 | \$160 | 5 | \$7,669 | 7 | \$101 | 15 | \$7,930 |
| COUNTY ATTORNEY | 9 | \$38,167 | 20 | \$7,006 | 9 | \$486 | 38 | \$45,658 |
| ELECTIONS | 0 | \$0 | 1 | \$0 | 1 | \$193 | 2 | \$193 |
| ENVIROMENTAL SERVICES | 1 | \$68 | 3 | \$0 | 1 | \$0 | 5 | \$68 |
| EQUIPMENT SERVICES | 0 | \$0 | 0 | \$0 | 2 | \$11,597 | 2 | \$11,597 |
| FACILITIES MANAGEMENT | 6 | \$2,267 | 5 | \$724 | 2 | \$149 | 13 | \$3,140 |
| FLOOD CONTROL | 7 | \$10,010 | 3 | \$0 | 5 | \$3,198 | 15 | \$13,208 |
| HOUSING | 2 | \$1,307 | 3 | \$0 | 3 | \$0 | 8 | \$1,307 |
| HUMAN RESOURCES | 1 | \$191 | 0 | \$0 | 0 | \$0 | 1 | \$191 |
| INDIGENT REPRESENTATION | 6 | \$16 | 5 | \$42 | 3 | \$9 | 14 | \$66 |
| JUSTICE COURTS | 9 | \$8,537 | 7 | \$15,069 | 8 | \$0 | 24 | \$23,606 |
| LONG TERM CARE | 1 | \$7,938 | 0 | \$0 | 0 | \$0 | 1 | \$7,938 |
| MARICOPA HEALTH SYSTEM | 7 | \$4,804 | 30 | \$7,302 | 7 | \$24,002 | 44 | \$36,109 |
| MCDOT | 63 | \$16,778 | 135 | \$24,442 | 71 | \$2,196 | 269 | \$43,415 |
| PARKS & RECREATION | 9 | \$24,901 | 5 | \$4,617 | 4 | \$425 | 18 | \$29,942 |
| PLANNING & INFRASTRUCTURE | 3 | \$5,845 | 6 | \$3,070 | 1 | \$432 | 10 | \$9,347 |
| PUBLIC HEALTH | 4 | \$3,005 | 1 | \$473 | 0 | \$0 | 5 | \$3,478 |
| RABIES ANIMAL CONTROL | 9 | \$2,610 | 10 | \$14,900 | 4 | \$375 | 23 | \$17,885 |
| SHERIFF | 127 | \$285,191 | 131 | \$127,098 | 105 | \$32,363 | 363 | \$444,652 |
| SOLID WASTE | 1 | \$39,031 | 1 | \$7,930 | 1 | \$0 | 3 | \$46,961 |
| SUPERIOR COURTS | 9 | \$264 | 9 | \$92 | 9 | \$91 | 27 | \$447 |
| ALL OTHERS | 7 | \$0 | 14 | \$0 | 9 | \$0 | 30 | \$0 |
| TOTALS | 292 | \$451,092 | 401 | \$220,632 | 255 | \$75,617 | 948 | \$747,341 |

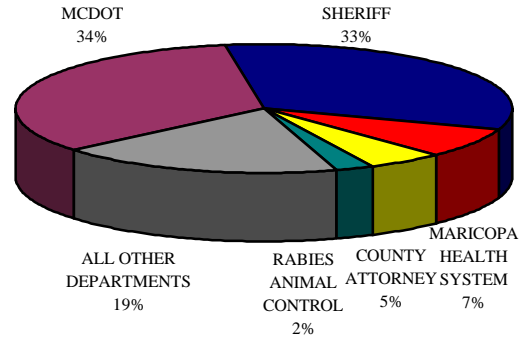
- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

GENERAL LIABILITY NUMBER OF CLAIMS FY97-98 TO FY99-00 - Top 5 Departments

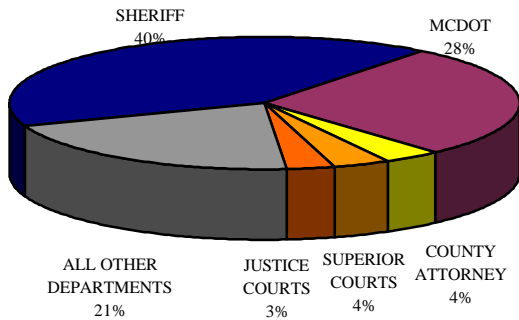
FY97-98



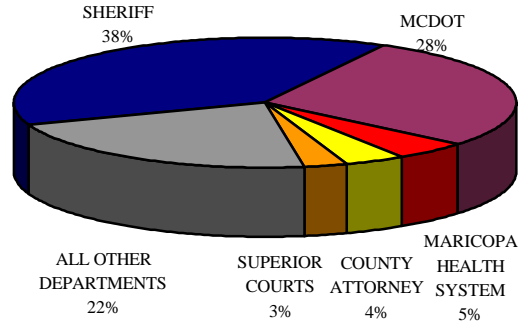
FY98-99



FY99-00



TOTAL FY98-00

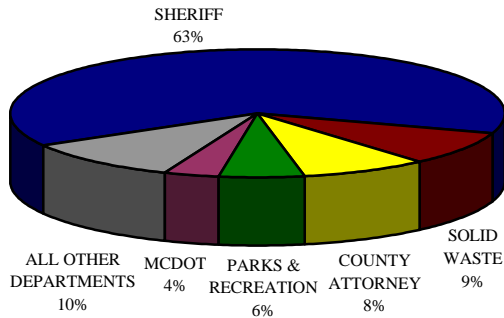


| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-------------------------|----------|-----------------------|----------|-----------------------|----------|-----------------------|----------|
| Department | # Claims | Department | # Claims | Department | # Claims | Department | # Claims |
| SHERIFF | 127 | MCDOT | 135 | SHERIFF | 105 | SHERIFF | 363 |
| MCDOT | 63 | SHERIFF | 131 | MCDOT | 71 | MCDOT | 269 |
| 5 DEPARTMENTS each at 9 | 45 | MARICOPA | 30 | COUNTY ATTORNEY | 9 | MARICOPA | 44 |
| ALL OTHER DEPARTMENTS | 57 | HEALTH SYSTEM | 30 | ATTORNEY | 9 | HEALTH SYSTEM | 44 |
| | | COUNTY ATTORNEY | 20 | SUPERIOR COURTS | 9 | COUNTY ATTORNEY | 38 |
| | | RABIES ANIMAL CONTROL | 10 | JUSTICE COURTS | 8 | SUPERIOR COURTS | 27 |
| | | ALL OTHER DEPARTMENTS | 75 | ALL OTHER DEPARTMENTS | 53 | ALL OTHER DEPARTMENTS | 207 |

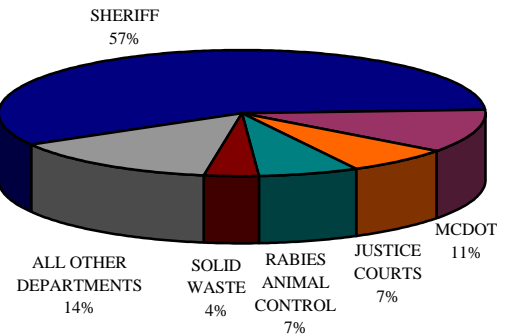
Notes: 1. Number of claims paid represents the amount of claims for the year in which the event occurred.
2. Amounts as valued on June 30, 2000, as reported in the Riskmaster system.

DOLLARS PAID FOR GENERAL LIABILITY FY97-98 TO FY99-00 - Top 5 Departments

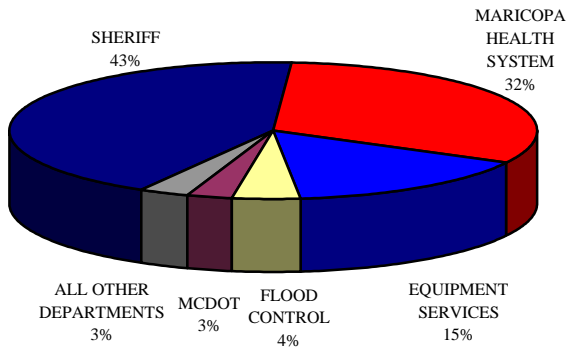
FY97-98



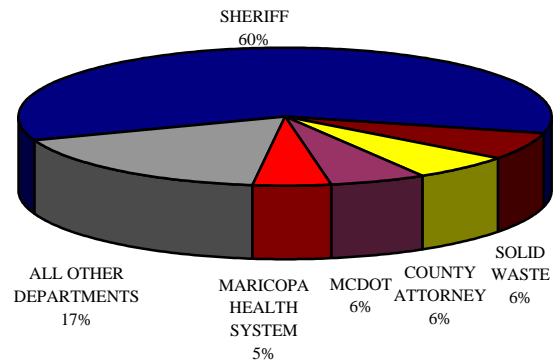
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|-----------|-----------------------|-----------|------------------------|----------|------------------------|-----------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| SHERIFF | \$285,191 | SHERIFF | \$127,098 | SHERIFF | \$32,363 | SHERIFF | \$444,652 |
| SOLID WASTE | \$39,031 | MCDOT | \$24,442 | MARICOPA HEALTH SYSTEM | \$24,002 | SOLID WASTE | \$46,961 |
| COUNTY ATTORNEY | \$38,167 | JUSTICE COURTS | \$15,069 | EQUIPMENT SERVICES | \$11,597 | COUNTY ATTORNEY | \$45,658 |
| PARKS & RECREATION | \$24,901 | RABIES ANIMAL CONTROL | \$14,900 | FLOOD CONTROL | \$3,198 | MCDOT | \$43,415 |
| MCDOT | \$16,778 | SOLID WASTE | \$7,930 | MCDOT | \$2,196 | MARICOPA HEALTH SYSTEM | \$36,109 |
| ALL OTHER DEPARTMENTS | \$47,024 | ALL OTHER DEPARTMENTS | \$31,193 | ALL OTHER DEPARTMENTS | \$2,261 | ALL OTHER DEPARTMENTS | \$130,545 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

AUTO PHYSICAL DAMAGE LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

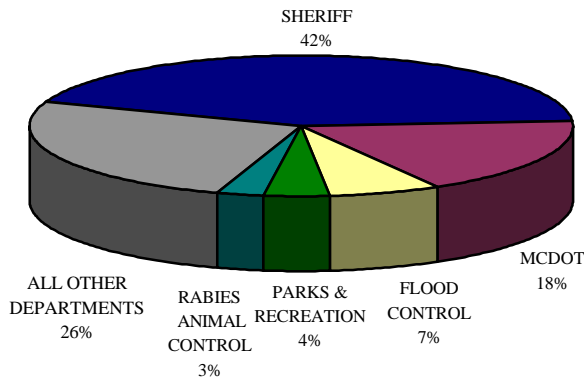
| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------------|----------|-----------|----------|-----------|----------|-----------|---------------|-------------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ADULT PROBATION | 11 | \$5,446 | 2 | \$3,045 | 3 | \$4,975 | 16 | \$13,466 |
| CLERK OF SUPERIOR COURT | 7 | \$1,734 | 2 | \$1,341 | 2 | \$0 | 11 | \$3,075 |
| CONSTABLES | 10 | \$4,525 | 3 | \$4,895 | 5 | \$5,187 | 18 | \$14,607 |
| COUNTY ASSESSOR | 2 | \$0 | 4 | \$1,549 | 3 | \$0 | 9 | \$1,549 |
| COUNTY ATTORNEY | 14 | \$9,000 | 7 | \$914 | 8 | \$16,421 | 29 | \$26,335 |
| ELECTIONS | 0 | \$0 | 12 | \$3,602 | 1 | \$1,103 | 13 | \$4,705 |
| ENVIROMENTAL SERVICES | 14 | \$4,098 | 6 | \$2,348 | 5 | \$4,687 | 25 | \$11,133 |
| EQUIPMENT SERVICES | 18 | \$2,451 | 12 | \$23,276 | 5 | \$12,718 | 35 | \$38,445 |
| FACILITIES MANAGEMENT | 13 | \$15,311 | 7 | \$4,188 | 1 | \$276 | 21 | \$19,774 |
| FLOOD CONTROL | 52 | \$31,862 | 16 | \$2,743 | 17 | \$7,853 | 85 | \$42,458 |
| HOUSING | 11 | \$6,580 | 5 | \$734 | 2 | \$3,948 | 18 | \$11,263 |
| HUMAN SERVICES | 7 | \$1,187 | 4 | \$447 | | \$0 | 11 | \$1,634 |
| INDIGENT REPRESENTATION | 6 | \$1,751 | 2 | \$1,698 | 2 | \$0 | 10 | \$3,449 |
| JUVENILE COURT CENTER | 10 | \$6,918 | 13 | \$17,798 | 1 | \$0 | 24 | \$24,716 |
| LIBRARY | 5 | \$859 | 4 | \$1,953 | 2 | \$0 | 11 | \$2,812 |
| MARICOPA HEALTH SYSTEM | 14 | \$6,262 | 7 | \$1,881 | 7 | \$3,182 | 28 | \$11,324 |
| MCDOT | 134 | \$37,570 | 63 | \$35,292 | 30 | \$14,981 | 227 | \$87,843 |
| MEDICAL ELIGIBILITY | 1 | \$138 | 1 | \$325 | 1 | \$1,524 | 3 | \$1,987 |
| MEDICAL EXAMINER | 1 | \$313 | 4 | \$730 | 2 | \$0 | 7 | \$1,043 |
| PARKS & RECREATION | 28 | \$9,572 | 22 | \$8,283 | 6 | \$7,434 | 56 | \$25,290 |
| PLANNING & INFRASTRUCTURE | 10 | \$9,539 | 6 | \$2,441 | 3 | \$5,626 | 19 | \$17,606 |
| PUBLIC HEALTH | 11 | \$2,594 | 6 | \$4,956 | 5 | \$1,163 | 22 | \$8,713 |
| RABIES ANIMAL CONTROL | 21 | \$7,938 | 7 | \$5,347 | 14 | \$2,757 | 42 | \$16,042 |
| SHERIFF | 330 | \$199,643 | 229 | \$278,223 | 149 | \$170,546 | 708 | \$648,412 |
| SOLID WASTE | 19 | \$9,686 | 4 | \$767 | 5 | \$2,311 | 28 | \$12,765 |
| ALL OTHERS | 11 | \$1,353 | 6 | \$1,600 | 0 | \$0 | 17 | \$2,953 |
| TOTALS | 760 | \$376,330 | 454 | \$410,375 | 279 | \$266,694 | 1493 | \$1,053,399 |

Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

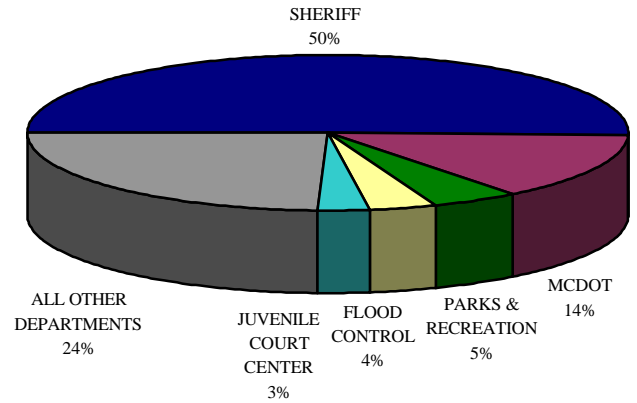
AUTO PHYSICAL DAMAGE NUMBERS OF CLAIMS

FY97-98 TO FY99-00 - Top 5 Departments

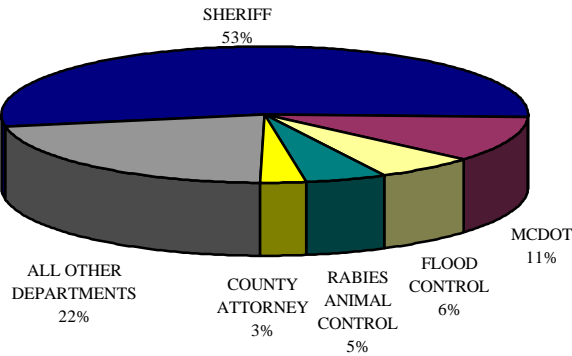
FY97-98



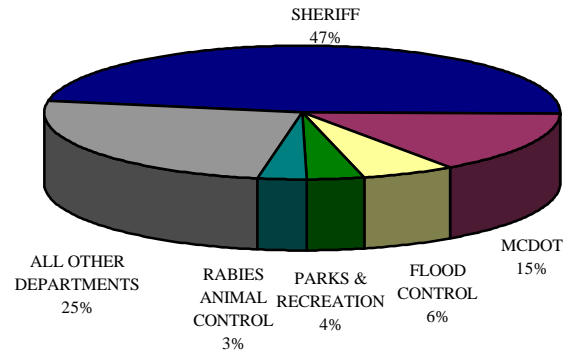
FY98-99



FY99-00



TOTAL FY98-00



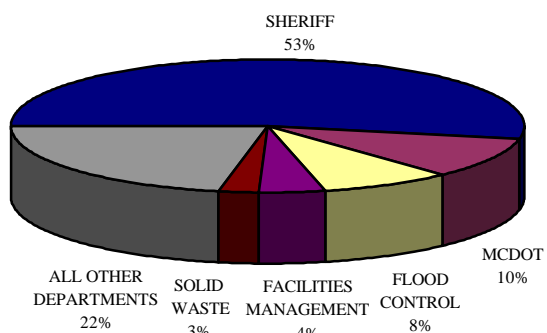
| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|----------|-----------------------|----------|-----------------------|----------|-----------------------|----------|
| Department | # Claims | Department | # Claims | Department | # Claims | Department | # Claims |
| SHERIFF | 330 | SHERIFF | 229 | SHERIFF | 149 | SHERIFF | 708 |
| MCDOT | 134 | MCDOT | 63 | MCDOT | 30 | MCDOT | 227 |
| FLOOD CONTROL | 52 | PARKS & RECREATION | 22 | FLOOD CONTROL | 17 | FLOOD CONTROL | 85 |
| PARKS & RECREATION | 28 | FLOOD CONTROL | 16 | RABIES ANIMAL CONTROL | 14 | PARKS & RECREATION | 56 |
| RABIES ANIMAL CONTROL | 21 | JUVENILE COURT CENTER | 13 | COUNTY ATTORNEY | 8 | RABIES ANIMAL CONTROL | 42 |
| ALL OTHER DEPARTMENTS | 195 | ALL OTHER DEPARTMENTS | 111 | ALL OTHER DEPARTMENTS | 61 | ALL OTHER DEPARTMENTS | 375 |

Notes: 1. Number of claims paid represents the amount of claims for the year in which the event occurred.
2. Amounts as valued on June 30, 2000, as reported in the Riskmaster system.

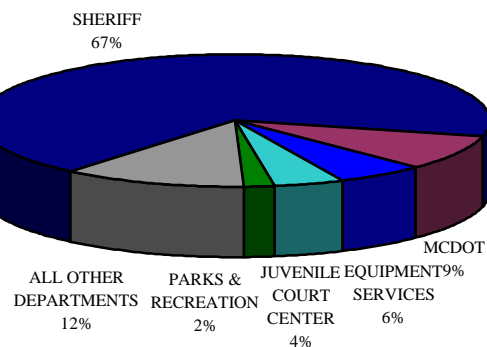
DOLLARS PAID FOR AUTO PHYSICAL DAMAGE

FY97-98 TO FY99-00 - Top 5 Departments

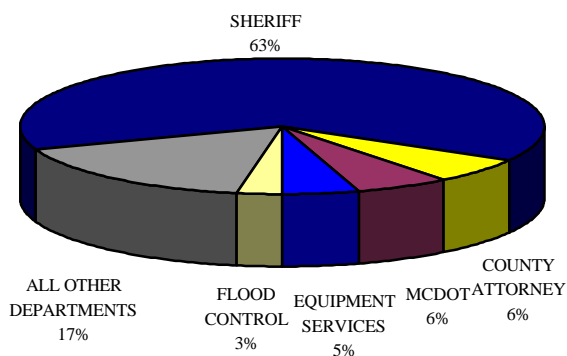
FY97-98



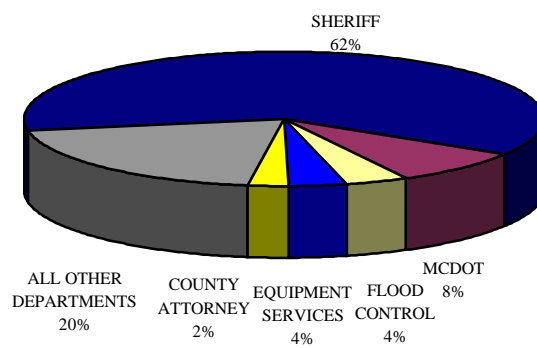
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| SHERIFF | \$199,643 | SHERIFF | \$278,223 | SHERIFF | \$170,546 | SHERIFF | \$648,412 |
| MCDOT | \$37,570 | MCDOT | \$35,292 | COUNTY ATTORNEY | \$16,421 | MCDOT | \$87,843 |
| FLOOD CONTROL | \$31,862 | EQUIPMENT SERVICES | \$23,276 | MCDOT | \$14,981 | FLOOD CONTROL | \$42,458 |
| FACILITIES MANAGEMENT | \$15,311 | JUVENILE COURT CENTER | \$17,798 | EQUIPMENT SERVICES | \$12,718 | EQUIPMENT SERVICES | \$38,445 |
| SOLID WASTE | \$9,686 | PARKS & RECREATION | \$8,283 | FLOOD CONTROL | \$7,853 | COUNTY ATTORNEY | \$26,335 |
| ALL OTHER DEPARTMENTS | \$82,259 | ALL OTHER DEPARTMENTS | \$47,503 | ALL OTHER DEPARTMENTS | \$44,174 | ALL OTHER DEPARTMENTS | \$209,907 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

AUTOMOBILE LIABILITY LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

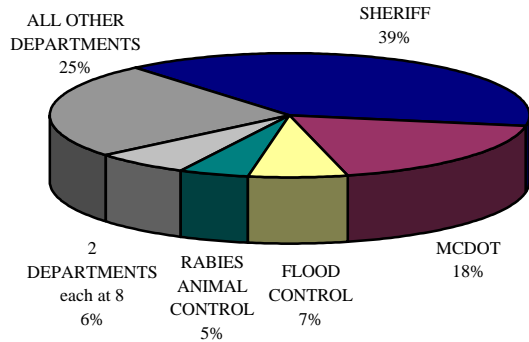
| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------------|----------|-----------|----------|-----------|----------|----------|---------------|-----------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ADULT PROBATION | 4 | \$628 | 0 | \$0 | 0 | \$0 | 4 | \$628 |
| CLERK OF SUPERIOR COURT | 4 | \$60 | 0 | \$0 | 0 | \$0 | 4 | \$60 |
| CONSTABLES | 1 | \$0 | 1 | \$0 | 1 | \$1,006 | 3 | \$1,006 |
| COUNTY ASSESSOR | 1 | \$500 | 0 | \$0 | 0 | \$0 | 1 | \$500 |
| COUNTY ATTORNEY | 3 | \$31,804 | 0 | \$0 | 2 | \$1,903 | 5 | \$33,707 |
| ELECTIONS | 0 | \$0 | 9 | \$3,241 | 1 | \$0 | 10 | \$3,241 |
| ENVIROMENTAL SERVICES | 8 | \$1,887 | 1 | \$0 | 0 | \$0 | 9 | \$1,887 |
| EQUIPMENT SERVICES | 7 | \$0 | 2 | \$2,414 | 0 | \$0 | 9 | \$2,414 |
| FACILITIES MANAGEMENT | 3 | \$14,926 | 2 | \$10,590 | 1 | \$0 | 6 | \$25,516 |
| FLOOD CONTROL | 17 | \$59,828 | 2 | \$7,560 | 7 | \$14,982 | 26 | \$82,370 |
| HOUSING | 6 | \$10,555 | 0 | \$0 | 1 | \$622 | 7 | \$11,177 |
| HUMAN SERVICES | 2 | \$1,957 | 1 | \$840 | 1 | \$0 | 4 | \$2,797 |
| INDIGENT REPRESENTATION | 3 | \$1,448 | 0 | \$0 | 0 | \$0 | 3 | \$1,448 |
| JUVENILE COURT CENTER | 3 | \$0 | 2 | \$83 | 0 | \$0 | 5 | \$83 |
| LIBRARY | 4 | \$0 | 0 | \$0 | 1 | \$1,443 | 5 | \$1,443 |
| MARICOPA HEALTH SYSTEM | 3 | \$0 | 3 | \$3,290 | 2 | \$500 | 8 | \$3,790 |
| MCDOT | 46 | \$3,060 | 11 | \$19,276 | 8 | \$9,486 | 65 | \$31,822 |
| MEDICAL EXAMINER | 1 | \$0 | 0 | \$0 | 1 | \$826 | 2 | \$826 |
| PARKS & RECREATION | 8 | \$1,502 | 0 | \$0 | 1 | \$1,101 | 9 | \$2,603 |
| PLANNING & INFRASTRUCTURE | 3 | \$430 | 0 | \$0 | 2 | \$66 | 5 | \$496 |
| PUBLIC FIDUCIARY | 1 | \$73 | 0 | \$0 | 0 | \$0 | 1 | \$73 |
| PUBLIC HEALTH | 5 | \$2,287 | 4 | \$10,067 | 2 | \$1,409 | 11 | \$13,764 |
| RABIES ANIMAL CONTROL | 12 | \$47,231 | 1 | \$0 | 6 | \$1,377 | 19 | \$48,609 |
| SHERIFF | 98 | \$518,653 | 46 | \$58,047 | 39 | \$40,756 | 183 | \$617,457 |
| SOLID WASTE | 6 | \$0 | 0 | \$0 | 1 | \$750 | 7 | \$750 |
| ALL OTHERS | 3 | \$0 | 2 | \$50 | 0 | \$0 | 5 | \$50 |
| TOTALS | 252 | \$696,831 | 87 | \$115,458 | 77 | \$76,229 | 416 | \$888,518 |

Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.

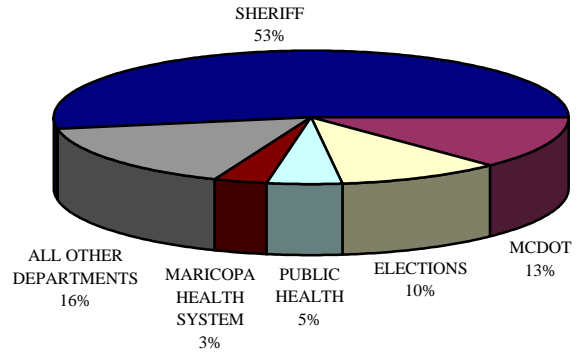
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

AUTOMOBILE LIABILITY NUMBER OF CLAIMS FY97-98 TO FY99-00 - Top 5 Departments

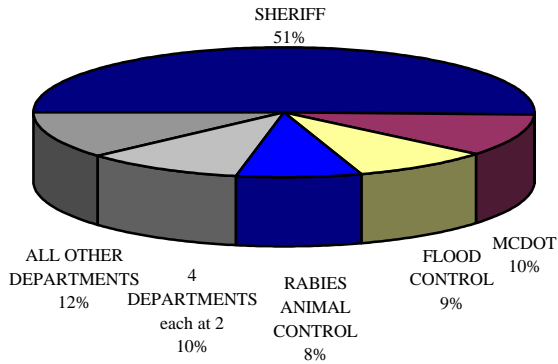
FY97-98



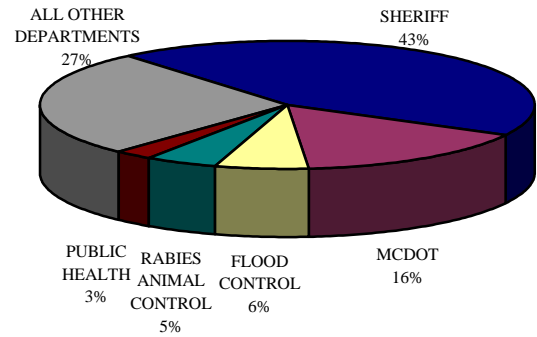
FY98-99



FY99-00



TOTAL FY98-00



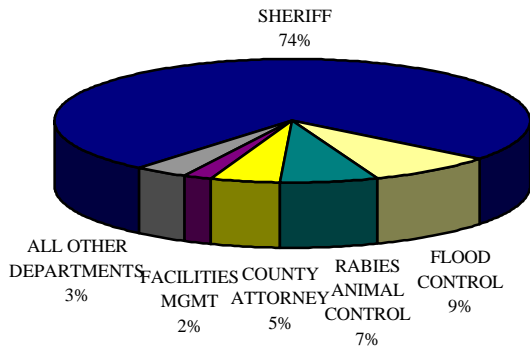
| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-------------------------|----------|------------------------|----------|-------------------------|----------|-----------------------|----------|
| Department | # Claims | Department | # Claims | Department | # Claims | Department | # Claims |
| SHERIFF | 98 | SHERIFF | 46 | SHERIFF | 39 | SHERIFF | 183 |
| MCDOT | 46 | MCDOT | 11 | MCDOT | 8 | MCDOT | 65 |
| FLOOD CONTROL | 17 | ELECTIONS | 9 | FLOOD CONTROL | 7 | FLOOD CONTROL | 26 |
| RABIES ANIMAL CONTROL | 12 | PUBLIC HEALTH | 4 | RABIES ANIMAL CONTROL | 6 | RABIES ANIMAL CONTROL | 19 |
| 2 DEPARTMENTS each at 8 | 16 | MARICOPA HEALTH SYSTEM | 3 | 4 DEPARTMENTS each at 2 | 8 | PUBLIC HEALTH | 11 |
| ALL OTHER DEPARTMENTS | 63 | ALL OTHER DEPARTMENTS | 14 | ALL OTHER DEPARTMENTS | 9 | ALL OTHER DEPARTMENTS | 112 |

Notes: 1. Number of claims paid represents the amount of claims for the year in which the event occurred.
2. Amounts as valued on June 30, 2000, as reported in the Riskmaster system.

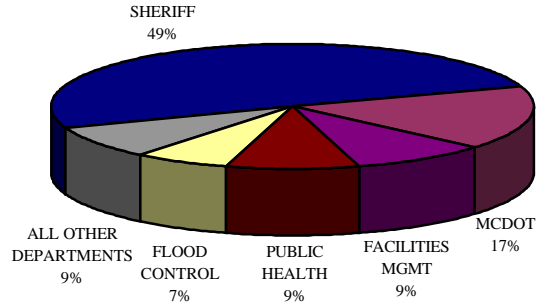
DOLLARS PAID FOR AUTOMOBILE LIABILITY

FY97-98 TO FY99-00 - Top 5 Departments

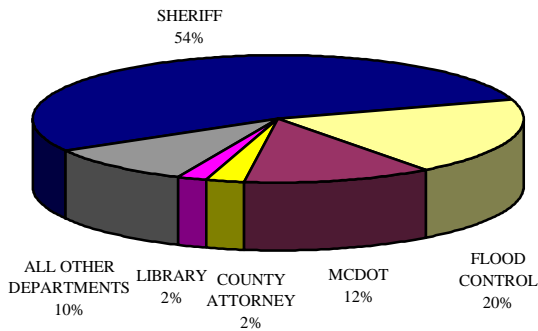
FY97-98



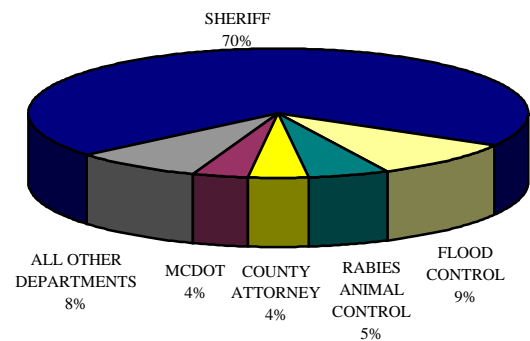
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|-----------|-----------------------|----------|-----------------------|----------|-----------------------|-----------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| SHERIFF | \$518,653 | SHERIFF | \$58,047 | SHERIFF | \$40,756 | SHERIFF | \$617,457 |
| FLOOD CONTROL | \$59,828 | MCDOT | \$19,276 | FLOOD CONTROL | \$14,982 | FLOOD CONTROL | \$82,370 |
| RABIES ANIMAL CONTROL | \$47,231 | FACILITIES MGMT | \$10,590 | MCDOT | \$9,486 | RABIES ANIMAL CONTROL | \$48,609 |
| COUNTY ATTORNEY | \$31,804 | PUBLIC HEALTH | \$10,067 | COUNTY ATTORNEY | \$1,903 | COUNTY ATTORNEY | \$33,707 |
| FACILITIES MGMT | \$14,926 | FLOOD CONTROL | \$7,560 | LIBRARY | \$1,443 | MCDOT | \$31,822 |
| ALL OTHER DEPARTMENTS | \$24,388 | ALL OTHER DEPARTMENTS | \$9,918 | ALL OTHER DEPARTMENTS | \$7,658 | ALL OTHER DEPARTMENTS | \$74,553 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

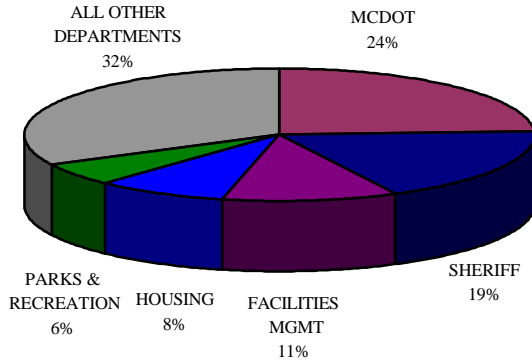
PROPERTY LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|--------------------------|----------|-----------|----------|----------|----------|----------|---------------|-----------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ADULT PROBATION | 3 | \$28,822 | 3 | \$2,139 | 0 | \$0 | 6 | \$30,961 |
| AMBULATORY CARE | 2 | \$13,607 | 0 | \$0 | 0 | \$0 | 2 | \$13,607 |
| BUSINESS COMM TECHNOLOGY | 2 | \$0 | 1 | \$2,459 | 1 | \$0 | 4 | \$2,459 |
| COUNTY ADMINISTRATOR | 1 | \$1,367 | 0 | \$0 | 0 | \$0 | 1 | \$1,367 |
| COUNTY ATTORNEY | 0 | \$0 | 0 | \$0 | 2 | \$2,282 | 2 | \$2,282 |
| COUNTY CALL CENTER | 1 | \$4,244 | 0 | \$0 | 1 | \$0 | 2 | \$4,244 |
| FACILITIES MANAGEMENT | 12 | \$596,436 | 2 | \$1,486 | 2 | \$7,394 | 16 | \$605,316 |
| FINANCE | 1 | \$15,084 | 0 | \$0 | 0 | \$0 | 1 | \$15,084 |
| FLOOD CONTROL | 5 | \$2,909 | 4 | \$686 | 2 | \$0 | 11 | \$3,596 |
| HOUSING | 9 | \$5,897 | 5 | \$10,964 | 4 | \$25,041 | 18 | \$41,902 |
| HUMAN SERVICES | 5 | \$5,004 | 3 | \$0 | 0 | \$0 | 8 | \$5,004 |
| INFORMATION OFFICER | 0 | \$0 | 0 | \$0 | 1 | \$3,088 | 1 | \$3,088 |
| JUSTICE COURTS | 2 | \$0 | 0 | \$0 | 1 | \$0 | 3 | \$0 |
| JUVENILE COURT CENTER | 2 | \$4,459 | 3 | \$3,761 | 1 | \$0 | 6 | \$8,220 |
| MARICOPA HEALTH SYSTEM | 2 | \$982 | 0 | \$0 | 2 | \$5 | 4 | \$987 |
| MCDOT | 26 | \$9,827 | 7 | \$1,589 | 2 | \$10,927 | 35 | \$22,343 |
| MEDICAL ELIGIBILITY | 0 | \$0 | 1 | \$5,818 | 0 | \$0 | 1 | \$5,818 |
| MEDICAL EXAMINER | 0 | \$0 | 0 | \$0 | 1 | \$343 | 1 | \$343 |
| PARKS & RECREATION | 6 | \$18,381 | 13 | \$476 | 2 | \$0 | 21 | \$18,856 |
| PUBLIC HEALTH | 3 | \$4,761 | 2 | \$0 | 0 | \$0 | 5 | \$4,761 |
| RABIES ANIMAL CONTROL | 0 | \$0 | 0 | \$0 | 3 | \$0 | 3 | \$0 |
| SHERIFF | 20 | \$11,167 | 26 | \$10,350 | 22 | \$9,104 | 68 | \$30,620 |
| SOLID WASTE | 4 | \$6,074 | 2 | \$117 | 2 | \$0 | 8 | \$6,192 |
| SUPERIOR COURTS | 1 | \$1,182 | 0 | \$0 | 1 | \$7,037 | 2 | \$8,219 |
| TREASURER | 0 | \$0 | 1 | \$318 | 0 | \$0 | 1 | \$318 |
| ALL OTHERS | 1 | \$0 | 3 | \$0 | 3 | \$0 | 7 | \$0 |
| TOTALS | 108 | \$730,204 | 76 | \$40,163 | 53 | \$65,220 | 237 | \$835,587 |

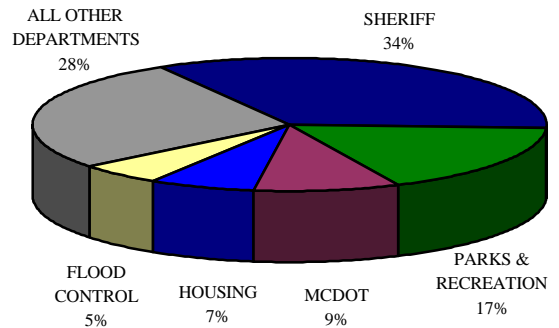
- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

PROPERTY NUMBER OF CLAIMS FY97-98 TO FY99-00 - Top 5 Departments

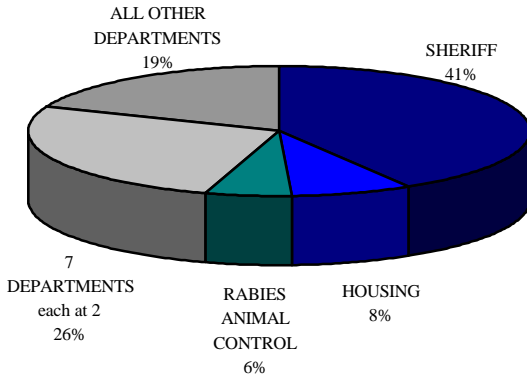
FY97-98



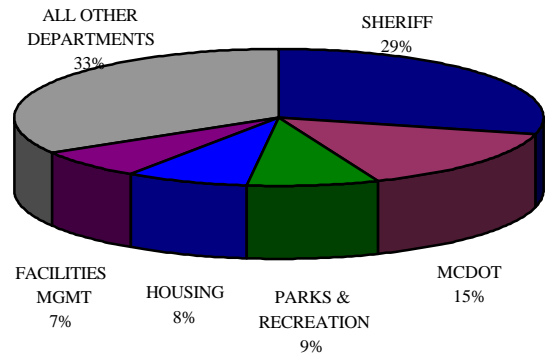
FY98-99



FY99-00



TOTAL FY98-00

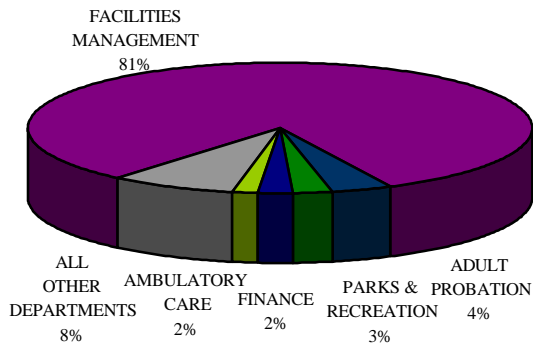


| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|----------|-----------------------|----------|-------------------------|----------|-----------------------|----------|
| Department | # Claims | Department | # Claims | Department | # Claims | Department | # Claims |
| MCDOT | 26 | SHERIFF | 26 | SHERIFF | 22 | SHERIFF | 68 |
| SHERIFF | 20 | PARKS & RECREATION | 13 | HOUSING | 4 | MCDOT | 35 |
| FACILITIES MANAGEMENT | 12 | MCDOT | 7 | RABIES ANIMAL CONTROL | 3 | PARKS & RECREATION | 21 |
| HOUSING | 9 | HOUSING | 5 | 7 DEPARTMENTS each at 2 | 14 | HOUSING | 18 |
| PARKS & RECREATION | 6 | FLOOD CONTROL | 4 | ALL OTHER DEPARTMENTS | 10 | FACILITIES MANAGEMENT | 16 |
| ALL OTHER DEPARTMENTS | 35 | ALL OTHER DEPARTMENTS | 21 | | | ALL OTHER DEPARTMENTS | 79 |

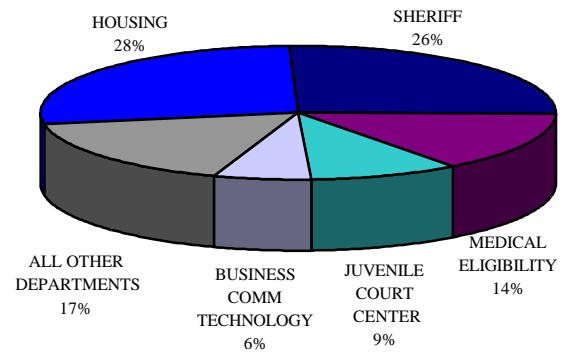
- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

DOLLARS PAID FOR PROPERTY FY97-98 TO FY99-00 - Top 5 Departments

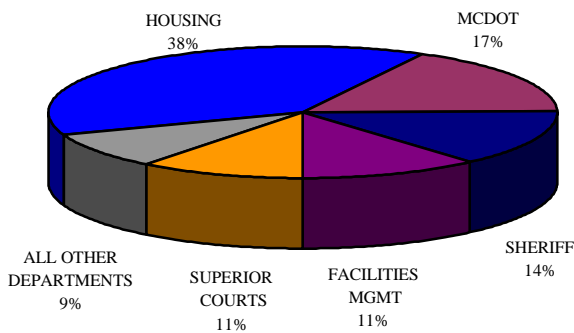
FY97-98



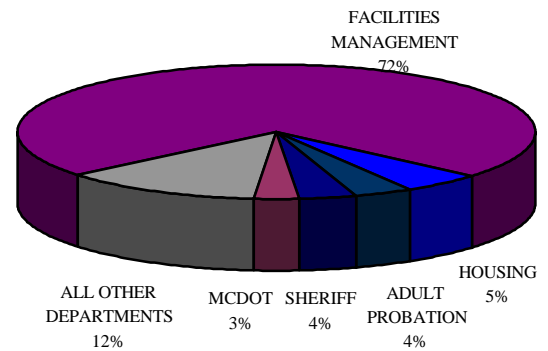
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|-----------------------|-----------|--------------------------|----------|-----------------------|----------|-----------------------|-----------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| FACILITIES MANAGEMENT | \$596,436 | HOUSING | \$10,964 | HOUSING | \$25,041 | FACILITIES MANAGEMENT | \$605,316 |
| ADULT PROBATION | \$28,822 | SHERIFF | \$10,350 | MCDOT | \$10,927 | HOUSING | \$41,902 |
| PARKS & RECREATION | \$18,381 | MEDICAL ELIGIBILITY | \$5,818 | SHERIFF | \$9,104 | ADULT PROBATION | \$30,961 |
| FINANCE | \$15,084 | JUVENILE COURT CENTER | \$3,761 | FACILITIES MANAGEMENT | \$7,394 | SHERIFF | \$30,620 |
| AMBULATORY CARE | \$13,607 | BUSINESS COMM TECHNOLOGY | \$2,459 | SUPERIOR COURTS | \$7,037 | MCDOT | \$22,343 |
| ALL OTHER DEPARTMENTS | \$57,875 | ALL OTHER DEPARTMENTS | \$6,812 | ALL OTHER DEPARTMENTS | \$5,717 | ALL OTHER DEPARTMENTS | \$104,445 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

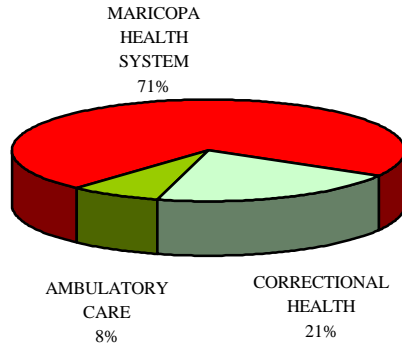
MEDICAL MALPRACTICE LOSS SUMMARY
FY97-98 TO FY99-00
Top 5 Departments

| Department | FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------|----------|-----------|----------|-----------|----------|---------|---------------|-----------|
| | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid | # Claims | \$ Paid |
| ALTCS | 0 | \$0 | 2 | \$3,080 | 2 | \$0 | 4 | \$3,080 |
| AMBULATORY CARE | 4 | \$279 | 0 | \$0 | 0 | \$0 | 4 | \$279 |
| CORRECTIONAL HEALTH | 11 | \$70,195 | 12 | \$728 | 4 | \$0 | 27 | \$70,923 |
| MARICOPA HEALTH SYSTEM | 38 | \$89,753 | 67 | \$335,151 | 40 | \$7,858 | 145 | \$432,762 |
| TOTALS | 53 | \$160,227 | 81 | \$338,959 | 46 | \$7,858 | 180 | \$507,044 |

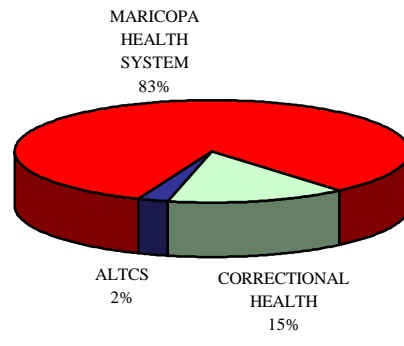
- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.

MEDICAL MALPRACTICE NUMBER OF CLAIMS AND DOLLARS PAID FY97-98 TO FY99-00

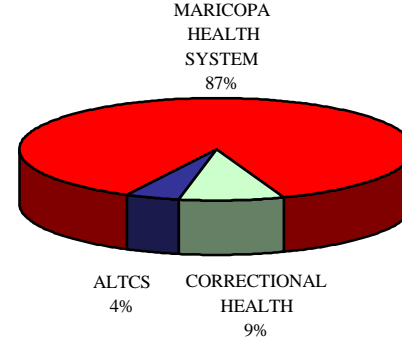
FY97-98



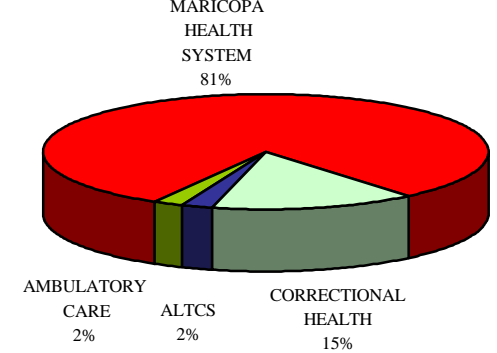
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | | FY98-99 | | | FY99-00 | | | FY98-00 | | |
|------------------------|----------|----------|------------------------|----------|-----------|------------------------|----------|---------|------------------------|----------|-----------|
| Department | # Claims | \$ Paid | Department | # Claims | \$ Paid | Department | # Claims | \$ Paid | Department | # Claims | \$ Paid |
| MARICOPA HEALTH SYSTEM | 38 | \$89,753 | MARICOPA HEALTH SYSTEM | 67 | \$335,151 | MARICOPA HEALTH SYSTEM | 40 | \$7,858 | MARICOPA HEALTH SYSTEM | 145 | \$432,762 |
| CORRECTIONAL HEALTH | 11 | \$70,195 | CORRECTIONAL HEALTH | 12 | \$728 | CORRECTIONAL HEALTH | 4 | \$0 | CORRECTIONAL HEALTH | 27 | \$70,923 |
| AMBULATORY CARE | 4 | \$279 | ALTCS | 2 | \$3,080 | ALTCS | 2 | \$0 | ALTCS | 4 | \$3,080 |
| | | | | | | | | | AMBULATORY CARE | 4 | \$279 |

- Notes: 1. Dollars Paid represents the amount paid for the year in which the event occurred and does not include Reported but not Paid nor IBNR reserves.
2. Number of claims paid represents the amount of claims for the year in which the event occurred.
3. Amounts as valued on June 30, 2000, as reported by the Riskmaster system.
4. Charts represent number of claims.

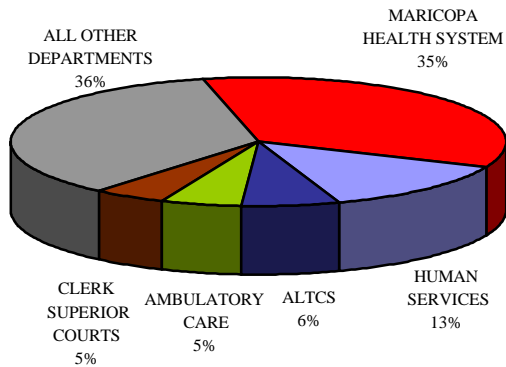
UNEMPLOYMENT LOSS SUMMARY
FY97-98 TO FY99-00
Top 25 Departments

| Department | FY97-98 \$ Paid | FY98-99 \$ Paid | FY99-00 \$ Paid | TOTAL FY98-00 \$ Paid |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------------|
| ADULT PROBATION | \$18,432 | \$16,462 | \$21,792 | \$56,686 |
| ALTCS | \$33,889 | \$362 | \$0 | \$34,251 |
| AMBULATORY CARE | \$27,924 | \$17,937 | \$10,914 | \$56,776 |
| CLERK OF SUPERIOR COURT | \$24,658 | \$15,262 | \$7,654 | \$47,574 |
| CORRECTIONAL HEALTH | \$7,301 | \$60 | \$1,098 | \$8,459 |
| COUNTY ASSESSOR | \$14,112 | \$3,961 | \$4,718 | \$22,791 |
| COUNTY ATTORNEY | \$8,703 | \$10,428 | \$3,563 | \$22,694 |
| ELECTIONS | \$2,483 | \$2,726 | \$5,381 | \$10,590 |
| ENVIRONMENTAL SERVICES | \$8,971 | \$0 | \$1,315 | \$10,285 |
| FACILITIES MANAGEMENT | \$16,059 | \$7,918 | \$2,827 | \$26,804 |
| HUMAN RESOURCES | \$1,323 | \$2,211 | \$4,380 | \$7,914 |
| HUMAN SERVICES | \$70,998 | \$66,278 | \$65,711 | \$202,988 |
| INDIGENT REPRESENTATION | \$1,248 | \$8,386 | \$0 | \$9,634 |
| JUSTICE COURTS | \$6,765 | \$3,993 | \$14,112 | \$24,870 |
| JUVENILE COURT CENTER | \$2,141 | \$6,706 | \$4,826 | \$13,672 |
| MARICOPA HEALTH SYSTEM | \$185,651 | \$70,997 | \$58,190 | \$314,838 |
| MCDOT | \$11,295 | \$6,640 | \$11,407 | \$29,342 |
| MEDICAL ELIGIBILITY | \$12,670 | \$18,796 | \$10,485 | \$41,951 |
| PARKS & RECREATION | \$6,839 | \$5,025 | \$2,989 | \$14,852 |
| PLANNING & INFRASTRUCTURE | \$370 | \$4,629 | \$6,133 | \$11,132 |
| PUBLIC HEALTH | \$14,213 | \$13,178 | \$2,230 | \$29,622 |
| RABIES ANIMAL CONTROL | \$3,861 | \$2,644 | \$1,600 | \$8,105 |
| RESEARCH & REPORTING | \$1,003 | \$6,137 | \$107 | \$7,246 |
| SHERIFF | \$23,034 | \$27,357 | \$56,672 | \$107,062 |
| SUPERIOR COURTS | \$14,382 | \$7,152 | \$17,448 | \$38,982 |
| ALL OTHERS | \$12,091 | \$20,981 | \$24,412 | \$57,483 |
| TOTALS | \$530,414 | \$346,225 | \$339,966 | \$1,216,605 |

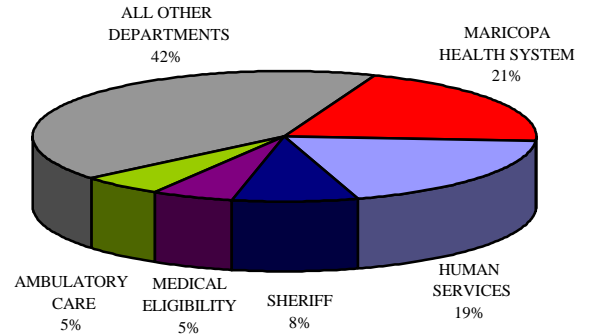
Notes: 1. Dollars Paid represents the amount paid in the fiscal year and does not include any reserves.
2. Amounts as valued on June 30, 2000, as reported in the Local Government Financial System.

DOLLARS PAID FOR UNEMPLOYMENT FY97-98 TO FY99-00 - Top 5 Departments

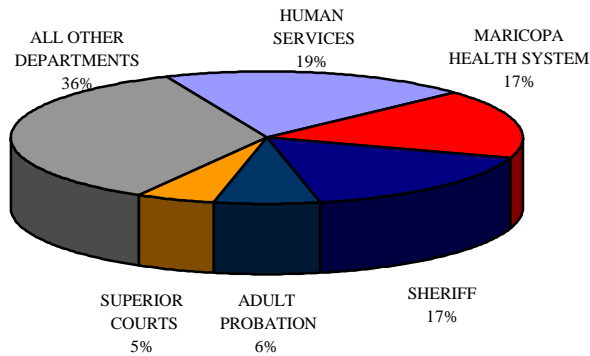
FY97-98



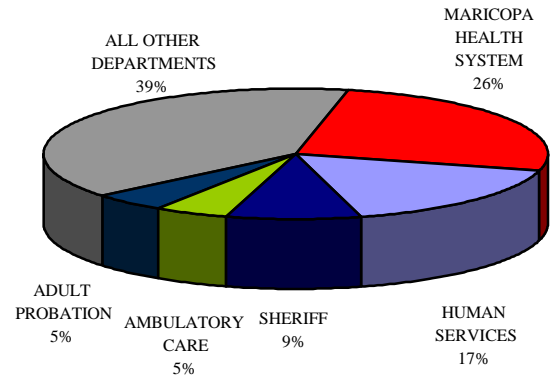
FY98-99



FY99-00



TOTAL FY98-00



| FY97-98 | | FY98-99 | | FY99-00 | | TOTAL FY98-00 | |
|------------------------|-----------|------------------------|-----------|------------------------|-----------|------------------------|-----------|
| Department | \$ Paid | Department | \$ Paid | Department | \$ Paid | Department | \$ Paid |
| MARICOPA HEALTH SYSTEM | \$185,651 | MARICOPA HEALTH SYSTEM | \$70,997 | HUMAN SERVICES | \$65,711 | MARICOPA HEALTH SYSTEM | \$314,838 |
| HUMAN SERVICES | \$70,998 | HUMAN SERVICES | \$66,278 | MARICOPA HEALTH SYSTEM | \$58,190 | HUMAN SERVICES | \$202,988 |
| ALTCS | \$33,889 | SHERIFF | \$27,357 | SHERIFF | \$56,672 | SHERIFF | \$107,062 |
| AMBULATORY CARE | \$27,924 | MEDICAL ELIGIBILITY | \$18,796 | ADULT PROBATION | \$21,792 | AMBULATORY CARE | \$56,776 |
| CLERK SUPERIOR COURTS | \$24,658 | AMBULATORY CARE | \$17,937 | SUPERIOR COURTS | \$17,448 | ADULT PROBATION | \$56,686 |
| ALL OTHER DEPARTMENTS | \$187,295 | ALL OTHER DEPARTMENTS | \$144,860 | ALL OTHER DEPARTMENTS | \$120,152 | ALL OTHER DEPARTMENTS | \$478,255 |

Notes: 1. Dollars Paid represents the amount paid in the fiscal year and does not include any reserves.
2. Amounts as valued on June 30, 2000, as reported in the Local Government Financial System.

DEFINITIONS

Auto Physical Damage Claims – Direct physical damage to vehicles involving collision or comprehensive loss due to collision, theft, fire, vandalism, or glass breakage, etc. Excludes normal wear, tear and maintenance damage.

Automobile Liability Claims – Claims made against Maricopa County for bodily injury and property damage arising from accident or use of vehicle for which the County is legally liable.

Cost of Risk – Total cost of paid casualty losses, including unemployment losses, insurance premiums and other Risk Management operational and administrative expenses.

Deductible – Retained portion of loss that is not insured based on absolute dollar amount or time period.

General Liability Claims – Claims made against Maricopa County for bodily injury and property damage arising from negligence and/or omission by Maricopa County employees/agents, and also claims arising from County owned or leased premises for which the County is legally liable.

Incurred But Not Reported (IBNR) – Liability reflected on Risk Management's balance sheet, representing actuarially projected liability losses resulting from events that have already occurred, but not yet been reported to Maricopa County. May also represent the possible growth or future maturation liability cost for reported claims.

Indemnification Agreement – Contractual agreement wherein one party (the indemnitor) agrees to hold another party (the indemnitee) harmless. The indemnitor is often required to add indemnitee to its liability policies as an additional insured. A typical construction contract requires the contractor to indemnify the owner for liability to members of public who are injured or whose property is damaged during course of contractors operations. The objective is to restore the indemnitee to same financial position they were prior to loss without profit or loss.

Loss Control/Prevention – Risk Management control procedures that emphasize safety programs that are designed and implemented to reduce the frequency and severity of potential losses involving injuries and property damage.

Medical Malpractice Claims – Professional liability claims arising from medical care and treatment to general public that falls below standard of care criteria.

Property Claims – Direct or indirect loss or damage to personal property including building, structure and contents on an all risk, replacement cost basis, including contingent business interruption loss.

Reported But Unpaid – A liability reflected on Risk Management's balance sheet that represents the estimated future liability for known claims; and, also same as "case reserves."

Risk Management – Process that includes the four management functions of planning, organizing, leading, and controlling a department to minimize the adverse effects of fortuitous losses. Defined in process terms, Risk Management is a sequence of four steps:

- 1) Identifying exposures to accidental loss that interfere or adversely affect Maricopa County's objectives.
- 2) Measure the financial consequences of losses occurring and examine alternative Risk Management techniques for dealing with these exposures.
- 3) Selecting and implementing the best Risk Management technique(s) to treat exposures/losses.
- 4) Monitoring the results and improving where appropriate.

Self-Insurance – Protecting against loss by the systematic provision of a fund to provide for losses which Maricopa County must pay without benefit of purchased insurance.

Self-Insured Retention (SIR) – The optimal dollar amount per claim or occurrence determined by a cost benefit analysis, that Maricopa County retains or must pay prior to its insurance carriers becoming legally liable for additional losses or expenses.

Unemployment Claims – Statutory wage claims incurred by Maricopa County arising from temporarily unemployed or terminated employees.

Workers' Compensation Claims – Statutory benefits of indemnity (wage loss), medical expense, rehabilitation, death and survivor payments to Maricopa County employees for injuries or medical conditions related to course and scope of employment activities.